

Order No. R-192289-4

- 19) AN ASSIGNMENT OF RENTS, ROYALTIES, ISSUES AND PROFITS ACCORDING FROM SAID LAND AS ADDITIONAL SECURITY FOR THE PAYMENT OF THE INDEBTEDNESS SECURED BY THE DEED OF TRUST SHOWN IN TRUST DEED IMMEDIATELY ABOVE.

RECORDED: SEPTEMBER 2, 2005 AS INSTRUMENT NO. 2005-0730194, OFFICIAL RECORDS.
 EXECUTED BY: ASHBY USA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
 IN FAVOR OF: OHIO SAVINGS BANK, A FEDERAL SAVINGS BANK

- 20) AN INSTRUMENT, UPON THE TERMS AND CONDITIONS CONTAINED THEREIN
 ENTITLED: INTERCREDITOR AND SUBORDINATION AGREEMENT
 (RORIPAUGH RANCH)
 DATED: AUGUST 29, 2005

EXECUTED BY AND BETWEEN: ASHBY USA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY; GRC
 DEVELOPMENT COMPANY, L.P., A CALIFORNIA LIMITED LIABILITY
 PARTNERSHIP; AND OHIO SAVINGS BANK, A FEDERAL SAVINGS BANK
 RECORDED: SEPTEMBER 2, 2005 AS INSTRUMENT NO. 2005-0730195, OFFICIAL RECORDS

SAID MATTER AFFECTS THE HEREIN DESCRIBED LAND AND OTHER LAND.

AN INSTRUMENT, UPON THE TERMS AND CONDITIONS CONTAINED THEREIN
 ENTITLED: FIRST AMENDMENT TO RECOGNITION, ATTORNMENT AND SUBORDINATION
 AGREEMENT (RORIPAUGH RANCH)
 DATED: DECEMBER 8, 2006

EXECUTED BY AND BETWEEN: OHIO SAVINGS BANK, A FEDERAL SAVINGS BANK, KB HOME COASTAL INC., A
 CALIFORNIA CORPORATION AND ASHBY USA, LLC, A CALIFORNIA LIMITED
 LIABILITY COMPANY
 RECORDED: DECEMBER 15, 2006 AS INSTRUMENT NO. 2006-0922261, OFFICIAL RECORDS

SAID MATTER AFFECTS LOTS 1 THROUGH 4 AND 6 THROUGH 11.

- 21) AN INSTRUMENT, UPON THE TERMS AND CONDITIONS CONTAINED THEREIN
 ENTITLED: ASSIGNMENT AND AGREEMENT
 (RORIPAUGH RANCH)

DATED: AUGUST 29, 2005
 EXECUTED BY AND BETWEEN: OHIO SAVINGS BANK, A FEDERAL SAVINGS BANK AND ASHBY USA, LLC, A
 CALIFORNIA LIMITED LIABILITY COMPANY
 RECORDED: SEPTEMBER 2, 2005 AS INSTRUMENT NO. 2005-0730196, OFFICIAL RECORDS

SAID MATTER AFFECTS THE HEREIN DESCRIBED LAND AND OTHER LAND.

- 22) AN INSTRUMENT, UPON THE TERMS AND CONDITIONS CONTAINED THEREIN
 ENTITLED: RECOGNITION, ATTORNMENT AND SUBORDINATION AGREEMENT
 (RORIPAUGH RANCH)
 DATED: AUGUST 29, 2005

EXECUTED BY AND BETWEEN: OHIO SAVINGS BANK, A FEDERAL SAVINGS BANK; KB HOME COASTAL INC., A
 CALIFORNIA CORPORATION; AND ASHBY USA, LLC, A CALIFORNIA LIMITED
 LIABILITY COMPANY
 RECORDED: SEPTEMBER 2, 2005 AS INSTRUMENT NO. 2005-0730197, OFFICIAL RECORDS

SAID MATTER AFFECTS THE HEREIN DESCRIBED LAND AND OTHER LAND.

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- 23) AN INSTRUMENT, UPON THE TERMS AND CONDITIONS CONTAINED THEREIN
 ENTITLED: CONTINUING SUBORDINATION AND ESTOPPEL AGREEMENT
 (RORIPAUGH RANCH).
 DATED: AUGUST 29, 2005
 EXECUTED BY
 AND BETWEEN: USA INVESTMENT PARTNERS, LLC, A NEVADA LIMITED LIABILITY COMPANY;
 ASHBY USA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY; KB HOME
 COASTAL, INC., A CALIFORNIA CORPORATION; AND OHIO SAVINGS BANK, A
 FEDERAL SAVINGS BANK
 RECORDED: SEPTEMBER 2, 2005 AS INSTRUMENT NO. 2005-0730198, OFFICIAL RECORDS
 SAID MATTER AFFECTS THE HEREIN DESCRIBED LAND AND OTHER LAND.
- 24) AN INSTRUMENT, UPON THE TERMS AND CONDITIONS CONTAINED THEREIN
 ENTITLED: RECOGNITION AGREEMENT
 DATED: AUGUST 2005
 EXECUTED BY
 AND BETWEEN: GRC DEVELOPMENT COMPANY, L.P., A CALIFORNIA LIMITED PARTNERSHIP;
 KB HOME COASTAL INC., A CALIFORNIA CORPORATION; AND ASHBY USA, LLC,
 A CALIFORNIA LIMITED LIABILITY COMPANY
 RECORDED: SEPTEMBER 2, 2005 AS INSTRUMENT NO. 2005-0730199, OFFICIAL RECORDS
 SAID MATTER AFFECTS THE HEREIN DESCRIBED LAND AND OTHER LAND.
- 25) AN INSTRUMENT, UPON THE TERMS AND CONDITIONS CONTAINED THEREIN
 ENTITLED: FIRST AMENDMENT TO AGREEMENT TO DEFER COMPLETION OF CONDITIONS
 OF APPROVAL UNTIL AFTER RECORDATION OF FINAL MAP FOR TRACT NO.
 29353-2
 (RORIPAUGH RANCH SPECIFIC PLAN)
 DATED: JUNE 28, 2005
 EXECUTED BY
 AND BETWEEN: THE CITY OF TEMECULA, A MUNICIPAL CORPORATION AND ASHBY USA, LLC,
 A CALIFORNIA LIMITED LIABILITY COMPANY
 RECORDED: SEPTEMBER 6, 2005 AS INSTRUMENT NO. 2005-0734550, OFFICIAL RECORDS
 SAID MATTER AFFECTS THE HEREIN DESCRIBED LAND AND OTHER LAND.
- 26) A DEED OF TRUST TO SECURE AN INDEBTEDNESS OF
 AMOUNT: PERFORMANCE
 TRUSTOR: ASHBY USA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
 TRUSTEE: CHICAGO TITLE COMPANY, INC., A CALIFORNIA CORPORATION
 BENEFICIARY: KB HOME COASTAL, INC.
 DATED: NOT SET OUT
 RECORDED: SEPTEMBER 8, 2005 AS INSTRUMENT NO. 2005-0743297, OFFICIAL RECORDS.
 SAID MATTER AFFECTS THE HEREIN DESCRIBED LAND AND OTHER LAND.
- 27) AN INSTRUMENT, UPON THE TERMS AND CONDITIONS CONTAINED THEREIN
 ENTITLED: FIRST AMENDMENT TO DEVELOPMENT AGREEMENT BETWEEN CITY OF
 TEMECULA AND ASHBY USA, LLC
 (RORIPAUGH RANCH SPECIFIC PLAN)
 DATED: FEBRUARY 14, 2006
 EXECUTED BY
 AND BETWEEN: CITY OF TEMECULA, A CALIFORNIA MUNICIPAL CORPORATION; ASHBY USA,
 LLC, A CALIFORNIA LIMITED LIABILITY COMPANY; DAVIDSON RORIPAUGH
 RANCH IZ2, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY;
 TANAMERA/RORIPAUGH, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY;
 TANAMERA/RORIPAUGH II, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY;
 AND TRADITONS AT RORIPAUGH, LLC
 RECORDED: MARCH 7, 2006 AS INSTRUMENT NO. 2006-0162268, OFFICIAL RECORDS

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- 28) AN INSTRUMENT, UPON THE TERMS AND CONDITIONS CONTAINED THEREIN
 ENTITLED: SECOND OPERATING MEMORANDUM TO THE RECORDED DEVELOPMENT
 AGREEMENT BETWEEN CITY OF TEMECULA AND ASHBY USA, LLC
 DATED: MARCH 21, 2006
 EXECUTED BY
 AND BETWEEN: CITY OF TEMECULA, A CALIFORNIA MUNICIPAL CORPORATION AND ASHBY
 USA, LLC
 RECORDED: MARCH 30, 2006 AS INSTRUMENT NO. 2006-0225016, OFFICIAL RECORDS
- 29) AN INSTRUMENT, UPON THE TERMS AND CONDITIONS CONTAINED THEREIN
 ENTITLED: CONSENT AND AGREEMENT OF JUNIOR LIEN HOLDERS
 DATED: FEBRUARY 14, 2006
 EXECUTED BY
 AND BETWEEN: ASHBY USA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY AND OHIO
 SAVINGS BANK, A FEDERAL SAVINGS BANK
 RECORDED: MARCH 30, 2006 AS INSTRUMENT NO. 2006-0157605, OFFICIAL RECORDS
- 30) AN IRREVOCABLE OFFER TO DEDICATE REAL PROPERTY FOR PUBLIC HIGHWAY, RECORDED APRIL 21,
 2006 AS INSTRUMENT NO. 2006-0290819 OF OFFICIAL RECORDS.
 REFERENCE IS HEREBY MADE TO THE ABOVE DOCUMENT FOR FULL PARTICULARS.
- 31) AN IRREVOCABLE OFFER TO DEDICATE REAL PROPERTY FOR PUBLIC HIGHWAY, RECORDED APRIL 21,
 2006 AS INSTRUMENT NO. 2006-0290820 OF OFFICIAL RECORDS.
 REFERENCE IS HEREBY MADE TO THE ABOVE DOCUMENT FOR FULL PARTICULARS.
- 32) AN IRREVOCABLE OFFER TO DEDICATE REAL PROPERTY FOR PUBLIC HIGHWAY, RECORDED APRIL 21,
 2006 AS INSTRUMENT NO. 2006-0290821 OF OFFICIAL RECORDS.
 REFERENCE IS HEREBY MADE TO THE ABOVE DOCUMENT FOR FULL PARTICULARS.
- 33) AN IRREVOCABLE OFFER TO DEDICATE REAL PROPERTY FOR PUBLIC HIGHWAY, RECORDED APRIL 21,
 2006 AS INSTRUMENT NO. 2006-0290822 OF OFFICIAL RECORDS.
 REFERENCE IS HEREBY MADE TO THE ABOVE DOCUMENT FOR FULL PARTICULARS.
- 34) THE TERMS, COVENANTS AND PROVISIONS OF THAT CERTAIN SUBDIVISION MONUMENT AGREEMENT,
 EXECUTED BY AND BETWEEN ASHBY USA, LLC AND CITY OF TEMECULA, RECORDED MAY 3, 2006, AS
 INSTRUMENT NO. 2006-0322167, OF OFFICIAL RECORDS, AND THE EFFECT OF ANY FAILURE TO COMPLY
 WITH SAME.
- 35) THE TERMS, COVENANTS AND PROVISIONS OF THAT CERTAIN CITY OF TEMECULA SUBDIVISION
 IMPROVEMENT AGREEMENT, EXECUTED BY AND BETWEEN CITY OF TEMECULA AND ASHBY USA, LLC,
 RECORDED MAY 3, 2006, AS INSTRUMENT NO. 2006-0322168, OF OFFICIAL RECORDS, AND THE EFFECT OF
 ANY FAILURE TO COMPLY WITH SAME.

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36) PROVISIONS OF THE DEDICATION STATEMENT ON MAP OF
TRACT: 29353.

WHICH RECITE:

WE HEREBY MAKE AN IRREVOCABLE OFFER OF DEDICATION TO THE CITY OF TEMECULA, FOR PUBLIC ROADS AND PUBLIC UTILITY PURPOSES LOT "A".

WE ALSO HEREBY DEDICATE TO PUBLIC USE, EASEMENTS FOR PUBLIC UTILITY PURPOSES TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS FOR EMERGENCY AND SERVICE VEHICLES WITHIN LOT "A" SHOWN HEREON.

WE ALSO HEREBY DEDICATE TO PUBLIC USE, EASEMENTS FOR MULTI-USE TRAIL, PUBLIC ACCESS AND FUEL MODIFICATION PURPOSES AS SHOWN ON LOTS 3, 10, 11 AND 13 INDICATED AS, MULTI-USE TRAIL, PUBLIC ACCESS, TRAIL AND FUEL MODIFICATION EASEMENTS.

AS A CONDITION OF DEDICATION OF LOT "A" (SOUTH LOOP ROAD AND NORTH LOOP ROAD), THE OWNERS OF LOTS 1 THROUGH 13, INCLUSIVE, ABUTTING THIS HIGHWAY AND DURING SUCH TIME WILL HAVE NO RIGHTS OF ACCESS EXCEPT THE GENERAL EASEMENT OF TRAVEL, ALSO EXCEPTING THE ONE (1) TWENTY FIVE FOOT ACCESS OPENING FOR LOT 1, THE ONE (1) ONE HUNDRED FOOT ACCESS OPENING FOR LOTS 2, 3 AND 4, THE ONE (1) ONE HUNDRED EIGHTEEN FOOT ACCESS OPENING FOR LOT 7, THE ONE (1) ONE HUNDRED

FOUR FOOT ACCESS OPENING FOR LOT 7, ONE (1) ONE HUNDRED SIX FOOT ACCESS OPENING FOR LOT 8, THE ONE (1) ONE HUNDRED SIXTEEN FOOT ACCESS OPENING FOR LOT 9, THE ONE (1) NINETY SIX FOOT ACCESS OPENING FOR LOT 10, THE ONE (1) ONE HUNDRED TWO FOOT ACCESS OPENING FOR LOT 10, THE ONE (1) EIGHTY SIX FOOT ACCESS OPENING FOR LOT 11, THE ONE (1) ONE HUNDRED FOOT ACCESS OPENING FOR LOT 11 AS SHOWN HEREON. ANY CHANGE OF ALIGNMENT OR WIDTH THAT RESULTS IN VACATION THEREOF SHALL TERMINATE THIS CONDITION OF ACCESS RIGHTS AS TO THE PART VACATED.

WE HEREBY DEDICATE ABUTTERS RIGHTS OF ACCESS ALONG BUTTERFIELD STAGE ROAD TO THE PUBLIC. THE OWNERS OF LOTS 7, 12 AND 14 ABUTTING THIS HIGHWAY AND DURING SUCH TIME WILL HAVE NO RIGHTS OF ACCESS EXCEPT THE GENERAL EASEMENT OF TRAVEL. ANY CHANGE OF ALIGNMENT OR WIDTH THAT RESULTS IN THE VACATION THEREOF SHALL TERMINATE THIS DEDICATION AS TO THE PART VACATED.

WE HEREBY RETAIN OPEN SPACE LOTS 12 AND 13 INDICATED FOR "FLOOD CONTROL PURPOSES" FOR PRIVATE USE FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES AND LOT OWNERS WITHIN THIS TRACT MAP.

WE ALSO HEREBY RETAIN LOT "A" INDICATED AS "PRIVATE STREET" FOR PRIVATE USE FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES AND LOT OWNERS WITHIN THIS TRACT MAP.

WE ALSO HEREBY RETAIN THE PRIVATE FACILITIES INDICATED AS PRIVATE RECREATIONAL AREA (LOT 5) FOR PRIVATE USE FOR THE SOLE BENEFIT OF OURSELVES, OR SUCCESSORS, ASSIGNEES AND LOT OWNERS WITHIN THIS TRACT MAP.

37) PROVISIONS OF THE DEDICATION STATEMENT ON MAP OF
TRACT: 29353.

WHICH RECITE:

NOTICE IS FURTHER GIVEN THAT PURSUANT TO SECTION 10.25 OF ORDINANCE 460, THE LAND DIVIDER HAS ELECTED TO DEFER PAYMENT OF THE DRAINAGE FEE TO THE TIME OF ISSUANCE OF A GRADING OR BUILDING PERMIT FOR SAID LOTS AND THAT THE OWNER OF EACH LOT, AT THE TIME OF ISSUANCE OF EITHER A GRADING OR BUILDING PERMIT, SHALL BE REQUIRED TO PAY THE FEE REQUIRED AT THE RATE IN EFFECT AT THE TIME OF ISSUANCE OF THE ACTUAL PERMIT.

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- 38) PROVISIONS HEREIN RECITED, OF THE ENVIRONMENTAL CONSTRAINT NOTE ON THE MAP OF THE SUBDIVISION SHOWN BELOW:
 SUBDIVISION: 29353
 ENVIRONMENTAL CONSTRAINT SHEET AFFECTING THIS MAP IS ON FILE IN THE OFFICE OF THE RIVERSIDE COUNTY SURVEYOR IN E.C.S. BOOK T PAGE 329.
- 39) A LIEN FOR UNSECURED PROPERTY TAXES IN FAVOR OF THE TAX COLLECTOR.
 COUNTY OF: RIVERSIDE
 AMOUNT: \$324.63
 TAXPAYER: ASHBY USA
 YEAR/ACCOUNT NO.: 2006-2007/000191659-7
 RECORDED: NOVEMBER 9, 2006 AS INSTRUMENT NO. 2006-0830145, OFFICIAL RECORDS
- 40) AN EASEMENT FOR PURPOSES HEREIN STATED, AND RIGHTS INCIDENTAL THERETO AS PROVIDED IN AN INSTRUMENT
 RECORDED: NOVEMBER 14, 2006 AS INSTRUMENT NO. 2006-0838174, OFFICIAL RECORDS
 FOR: DRAINAGE AND INCIDENTAL PURPOSES
 IN FAVOR OF: ASHBY USA LLC
 AFFECTS: SAID LAND.
 SAID MATTER AFFECTS LOT 6.
- 41) AN ENVIRONMENTAL CONSTRAINT NOTE RECORDED IN BOOK T PAGE 329, AS PER TRACT MAP RECORDED IN BOOK 401, PAGE 89 THROUGH 96.
- 42) AN EASEMENT FOR PURPOSES HEREIN STATED, AS SHOWN ON OR DEDICATED BY THE MAP OF SAID TRACT
 FOR: MULTI-USE TRAIL, PUBLIC ACCESS AND FUEL MODIFICATION AND INCIDENTAL PURPOSES
 AFFECTS: AS SHOWN ON THE MAP OF TRACT 29353.
- 43) ANY CLAIMS FOR MECHANIC'S LIENS ON SAID LAND THAT MAY BE RECORDED BY REASON OF A WORK OF IMPROVEMENT, DISCLOSED BY AN INSPECTION OF SAID LAND.

END OF SCHEDULE B

HI/JL
 POLICY RATE: BBR/FATIC
 ENCLOSURES: PLATS

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"NOTES AND REQUIREMENTS SECTION"

NOTE NO. 1

"CALIFORNIA STATE SENATE BILL NUMBER 2319, EFFECTIVE JANUARY 1, 1991, REQUIRES THAT THE BUYER IN ALL SALES OF CALIFORNIA REAL ESTATE, WHEREIN THE SELLER SHOWS AN OUT OF STATE ADDRESS, WITHHOLD 3 1/3 % OF THE TOTAL SALES PRICE AS CALIFORNIA STATE INCOME TAX, SUBJECT TO THE VARIOUS PROVISIONS OF THE LAW AS THEREIN CONTAINED."

NOTE NO. 2

PAYOFF INFORMATION:

NOTE: THIS COMPANY DOES REQUIRE CURRENT BENEFICIARY DEMANDS PRIOR TO CLOSING.

IF THE DEMAND IS EXPIRED AND A CORRECT DEMAND CANNOT BE OBTAINED, OUR REQUIREMENTS WILL BE AS FOLLOWS:

- A. IF THIS COMPANY ACCEPTS A VERBAL UPDATE ON THE DEMAND, WE MAY HOLD AN AMOUNT EQUAL TO ONE MONTHLY MORTGAGE PAYMENT. THE AMOUNT OF THIS HOLD WILL BE OVER AND ABOVE THE VERBAL HOLD THE LENDER MAY HAVE STIPULATED.
- B. IF THIS COMPANY CANNOT OBTAIN A VERBAL UPDATE ON THE DEMAND, WILL EITHER PAY OFF THE EXPIRED DEMAND OR WAIT FOR THE AMENDED DEMAND, AT THE DISCRETION OF THE ESCROW.
- C. IN THE EVENT THAT A PAYOFF IS BEING MADE TO A SERVICING AGENT FOR THE BENEFICIARY, THIS COMPANY WILL REQUIRE A COMPLETE COPY OF THE SERVICING AGREEMENT PRIOR TO CLOSE.

NOTE NO. 3

IF THIS COMPANY IS REQUESTED TO DISBURSE FUNDS IN CONNECTION WITH THIS TRANSACTION, CHAPTER 598, STATUTES OF 1989 MANDATES HOLD PERIODS FOR CHECKS DEPOSITED TO ESCROW OR SUB-ESCROW ACCOUNTS. THE MANDATORY HOLD IS ONE BUSINESS DAY AFTER THE DAY DEPOSITED. OTHER CHECKS REQUIRE A HOLD PERIOD FROM THREE TO SEVEN BUSINESS DAYS AFTER THE DAY DEPOSITED.

IF FUNDS ARE TO BE DEPOSITED WITH ORANGE COAST TITLE BUILDER SERVICES BY WIRE TRANSFER, THEY SHOULD BE WIRED TO THE FOLLOWING BANK/ACCOUNT:

BANK OF AMERICA
333 SOUTH BEAUDRY AVE.
LOS ANGELES, CA 90017
ABA 026009593
ACCOUNT NO. 12355-63445

CREDIT TO THE ACCOUNT OF ORANGE COAST TITLE BUILDER SERVICES

PLEASE REFERENCE
ORDER NO.

R-192289-4

AND HELEN JOHNSON, TITLE OFFICER

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EXHIBIT "A"

THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF RIVERSIDE AND IS DESCRIBED AS FOLLOWS:

LOTS 1 THROUGH 15 AND LETTERED LOT "A" OF TRACT 29353, IN THE CITY OF TEMECULA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN ON A MAP IN BOOK 401, PAGES 89 TO 96 INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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NOTICE REGARDING YOUR DEPOSIT OF FUNDS

CALIFORNIA INSURANCE CODE SECTIONS 12413 ET. SEQ. REGULATES THE DISBURSEMENT OF ESCROW AND SUB-ESCROW FUNDS BY TITLE COMPANIES. THE LAW REQUIRES THAT FUNDS BE DEPOSITED IN THE TITLE COMPANY ESCROW AND SUB-ESCROW ACCOUNTS AND BE AVAILABLE FOR WITHDRAWAL PRIOR TO DISBURSEMENT. FUNDS DEPOSITED WITH THE COMPANY BY WIRE TRANSFER MAY BE DISBURSED UPON RECEIPT. FUNDS DEPOSITED WITH THE COMPANY VIA CASHIER'S CHECKS DRAWN ON A CALIFORNIA BASED BANK MAY BE DISBURSED THE NEXT BUSINESS DAY AFTER THE DAY OF DEPOSIT. IF FUNDS ARE DEPOSITED WITH BY OTHER METHODS, RECORDING OR DISBURSEMENT MAY BE DELAYED. ALL ESCROW AND SUB-ESCROW FUNDS RECEIVED BY THE COMPANY WILL BE DEPOSITED WITH OTHER FUNDS IN ONE OR MORE NON-INTEREST BEARING ESCROW ACCOUNTS OF THE COMPANY IN A FINANCIAL INSTITUTION SELECTED BY THE COMPANY. THE COMPANY AND/OR ITS PARENT COMPANY MAY RECEIVE CERTAIN DIRECT OR INDIRECT BENEFITS FROM THE FINANCIAL INSTITUTION BY REASON OF THE DEPOSIT OF SUCH FUNDS OR THE MAINTENANCE OF SUCH ACCOUNTS WITH THE FINANCIAL INSTITUTION, AND THE COMPANY SHALL HAVE NO OBLIGATION TO ACCOUNT TO THE DEPOSITING PARTY IN ANY MANNER FOR THE VALUE OF, OR TO PAY SUCH PARTY, ANY BENEFIT RECEIVED BY THE COMPANY AND/OR ITS PARENT COMPANY. THOSE BENEFITS MAY INCLUDE, WITHOUT LIMITATION, CREDITS ALLOWED BY SUCH FINANCIAL INSTITUTION ON LOANS TO THE COMPANY AND/OR ITS PARENT COMPANY AND EARNINGS ON INVESTMENTS MADE ON THE PROCEEDS OF SUCH LOANS, ACCOUNTING, REPORTING AND OTHER SERVICES AND PRODUCTS OF SUCH FINANCIAL INSTITUTION. SUCH BENEFITS SHALL BE DEEMED ADDITIONAL COMPENSATION OF THE COMPANY FOR ITS SERVICES IN CONNECTION WITH THE ESCROW OR SUB-ESCROW.

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ORANGE COAST TITLE BUILDER SERVICES PRIVACY POLICY

WE ARE COMMITTED TO SAFEGUARDING CUSTOMER INFORMATION

IN ORDER TO BETTER SERVE YOUR NEEDS NOW AND IN THE FUTURE, WE MAY ASK YOU TO PROVIDE US WITH CERTAIN INFORMATION. WE UNDERSTAND THAT YOU MAY BE CONCERNED ABOUT WHAT WE WILL DO WITH SUCH INFORMATION - PARTICULARLY ANY PERSONAL OR FINANCIAL INFORMATION. WE AGREE THAT YOU HAVE A RIGHT TO KNOW HOW WE WILL UTILIZE THE PERSONAL INFORMATION THAT YOU PROVIDE TO US. THEREFORE, WE HAVE ADOPTED THIS PRIVACY POLICY TO GOVERN THE USE AND HANDLING OF YOUR PERSONAL INFORMATION.

APPLICABILITY

THIS PRIVACY POLICY GOVERNS OUR USE OF THE INFORMATION YOU PROVIDE TO US. IT DOES NOT GOVERN THE MANNER IN WHICH WE MAY USE INFORMATION WE HAVE OBTAINED FROM ANY OTHER SOURCE, SUCH AS INFORMATION OBTAINED FROM A PUBLIC RECORD OR FROM ANOTHER PERSON OR ENTITY.

TYPES OF INFORMATION

DEPENDING UPON WHICH OF OUR SERVICES YOU ARE UTILIZING, THE TYPES OF NONPUBLIC PERSONAL INFORMATION THAT WE MAY COLLECT INCLUDE:

- INFORMATION WE RECEIVE FROM YOU ON APPLICATIONS, FORMS AND IN OTHER COMMUNICATIONS TO US, WHETHER IN WRITING, IN PERSON, BY TELEPHONE OR ANY OTHER MEANS.
- INFORMATION ABOUT YOUR TRANSACTIONS WITH US, OUR AFFILIATED COMPANIES, OR OTHERS; AND
- INFORMATION WE RECEIVE FROM A CONSUMER-REPORTING AGENCY.

USE OF INFORMATION

WE REQUEST INFORMATION FROM YOU FOR OUR OWN LEGITIMATE BUSINESS PURPOSES AND NOT FOR BENEFIT OF ANY NONAFFILIATED PARTY. THEREFORE, WE WILL NOT RELEASE YOUR INFORMATION TO NONAFFILIATED PARTIES EXCEPT: (1) AS NECESSARY FOR US TO PROVIDE THE PRODUCT OR SERVICE YOU HAVE REQUESTED OF US; OR (2) AS PERMITTED BY LAW. WE MAY, HOWEVER, STORE SUCH INFORMATION INDEFINITELY, INCLUDING THE PERIOD AFTER WHICH ANY CUSTOMER RELATIONSHIP HAS CEASED. SUCH INFORMATION MAY BE USED FOR ANY INTERNAL PURPOSE, SUCH AS QUALITY CONTROL EFFORTS OR CUSTOMER ANALYSIS.

FORMER CUSTOMERS

EVEN IF YOU ARE NO LONGER OUR CUSTOMER, OUR PRIVACY POLICY WILL CONTINUE TO APPLY TO YOU.

CONFIDENTIALITY AND SECURITY

WE WILL USE OUR BEST EFFORTS TO ENSURE THAT NO UNAUTHORIZED PARTIES HAVE ACCESS TO ANY OF YOUR INFORMATION. WE RESTRICT ACCESS TO NONPUBLIC PERSONAL INFORMATION ABOUT YOU TO THOSE INDIVIDUALS AND ENTITIES THAT NEED TO KNOW THAT INFORMATION TO PROVIDE PRODUCTS OR SERVICES TO YOU. WE WILL USE OUR BEST EFFORTS TO TRAIN AND OVERSEE OUR EMPLOYEES AND AGENTS TO ENSURE THAT YOUR INFORMATION WILL BE HANDLED RESPONSIBLY AND IN ACCORDANCE WITH THIS PRIVACY POLICY. WE CURRENTLY MAINTAIN PHYSICAL, ELECTRONIC, AND PROCEDURAL SAFEGUARDS THAT COMPLY WITH FEDERAL REGULATIONS TO GUARD YOUR NONPUBLIC PERSONAL INFORMATION.

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EXHIBIT 'A'

CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter created on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon any or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (6/2/98) &

ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10/17/98) EXCLUSIONS FROM COVERAGE

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning: (a) building; (b) zoning; (c) Land use; (d) Improvements on Land; (e) Land division; (f) environmental protection. This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date. This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17, or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless (a) notice of exercising the right appears in the Public Records at the Policy Date; (b) the taking happened before the Policy Date and is binding on You if You bought the Land without knowing of the taking.
4. Risks: (a) that are created, allowed, or agreed to by you, whether or not they appear in the Public Records; (b) that are known to you at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date; (c) that result in no loss to You; or (d) that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right: (a) in any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and (b) in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)

EXCLUSIONS FROM COVERAGE

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning: land use, improvements on the land, land division or environmental protection. This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless: a notice of exercising the right appears in the public records, on the Policy Date, the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks: that are created, allowed, or agreed to by you; that are known to you, but not to us, on the Policy Date - unless they appeared in the public records; that result in no loss to you; that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks.
4. Failure to pay value for your title.
5. Lack of a right: to any land outside the area specifically described and referred to in Item 3 of Schedule A; OR in streets, alleys, or waterways that touch your land.

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

Page 3 of 2 pages

Order No. R-192289-4

**AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH ALTA ENDORSEMENT-FORM I COVERAGE &
AMERICAN LAND TITLE ASSOCIATION LEASEHOLD LOAN POLICY (10-17-92)
WITH ALTA ENDORSEMENT-FORM I COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to date of policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure: (a) to timely record the instrument of transfer; or (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92) &
AMERICAN LAND TITLE ASSOCIATION LEASEHOLD OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure: (a) to timely record the instrument of transfer; or (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy forms may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage Policy will also include the following General Instructions:

SCHEDULE B - EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

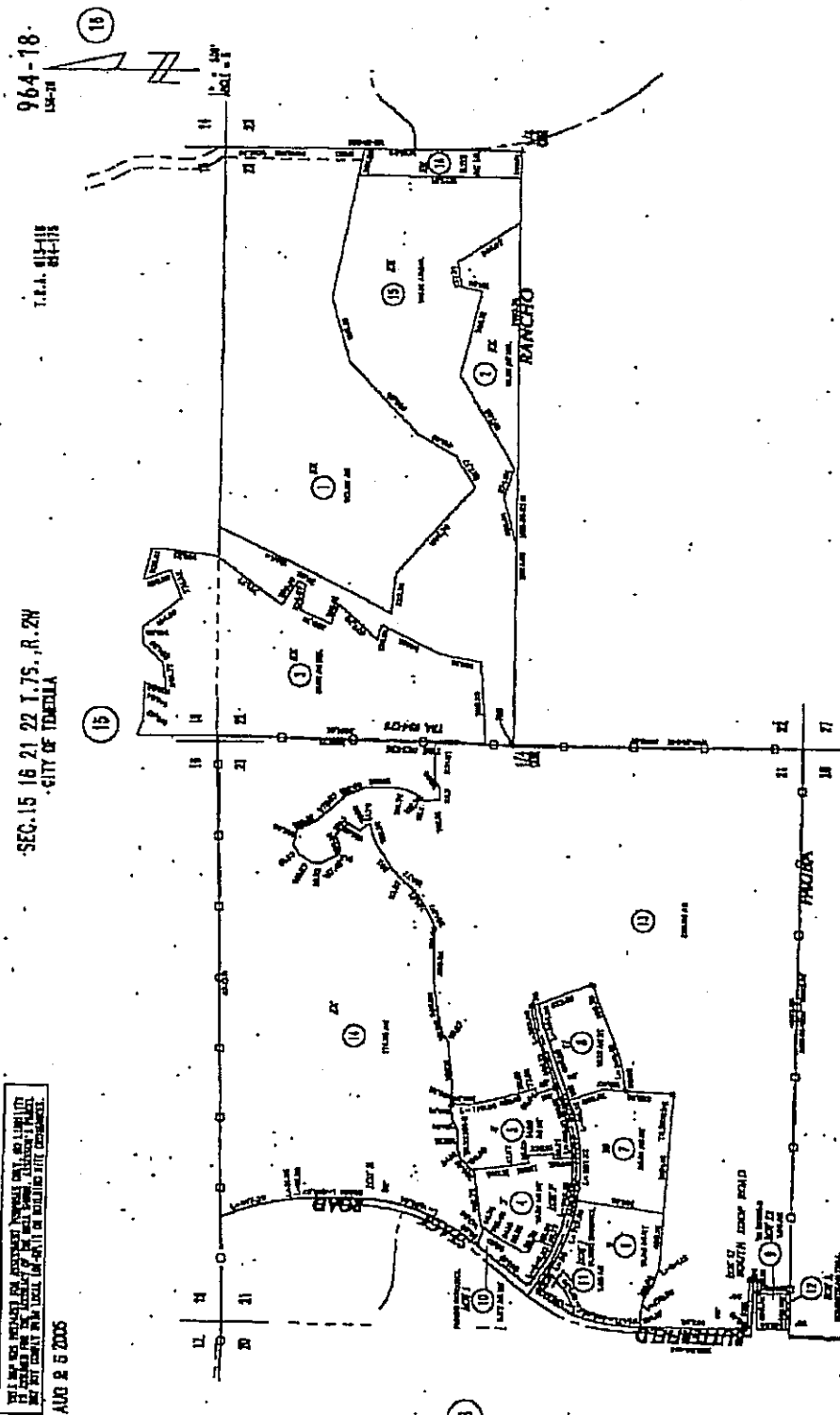
1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

Page 2 of 2 pages

Rorpaugh Ranch
Sources & Uses / Project Budget

200 Refinance Existing Senior Debt	\$37,087,038	\$0	\$37,087,038	\$37,087,038	\$0
Hard Cost					
Phase 1		\$1,800,000	\$1,800,000	\$0	\$0
Phase 1 & 2 W Payoff		\$7,823,405	\$7,823,405	\$0	\$0
400 Phase 2 and Creek Slope	\$9,800,000	\$3,778,552	\$13,578,552	\$10,268,186	\$3,309,364
500 PA 30 Mega Rec Center	\$8,400,000	\$638,553	\$7,038,553	\$23,594	\$7,016,049
600 School Frontage	\$230,000	-\$230,000	\$0	\$0	\$0
700 Project Walls	\$1,300,000	\$0	\$1,300,000	\$0	\$1,300,000
800 Ped. Bridge Long Valley Channel	\$500,000	\$0	\$500,000	\$0	\$500,000
900 N & S Loop Road w/ Bridge	\$8,200,000	\$4,248,937	\$10,448,937	\$2,111,422	\$8,337,515
1000 Multi-Use Trail (Native Soil)	\$200,000	\$0	\$200,000	\$117,000	\$83,000
1100 Mitigation	\$900,000	\$0	\$900,000	\$371,358	\$528,644
1200 Monumentation	\$300,000	\$0	\$300,000	\$0	\$300,000
1300 Gated Entries (PA 30 & 21/22)	\$800,000	\$0	\$800,000	-\$200,000	\$1,000,000
1400 Sec Gated Entries (PA 14/15/18)	\$200,000	\$0	\$200,000	\$200,000	\$0
1500 Habitat Fencing	\$300,000	\$0	\$300,000	\$0	\$300,000
1600 Utility Connections	\$1,100,000	\$400,000	\$1,500,000	\$337,910	\$962,090
1700 Offsite Intersections	\$198,850	\$0	\$198,850	\$198,850	\$0
Total Non CFD	\$28,228,950	\$19,269,447	\$48,498,397	\$19,629,338	\$28,869,057
1800 CFD MHSR	\$3,200,000	\$1,077,643	\$4,277,643	\$2,814,020	\$1,463,623
1900 CFD BPSR w/in Tract Boundary	\$18,700,000	\$4,828,860	\$24,528,860	\$10,442,324	\$14,086,536
2100 CFD Nicolas Road	\$9,580,575	\$2,077,306	\$11,657,881	\$838,320	\$10,819,561
2400 CFD Cattle Chops	\$175,000	\$182,208	\$337,208	\$41,098	\$296,111
2500 CFD Fire Station	\$1,200,000	\$0	\$1,200,000	\$1,200,000	\$0
2600 CFD Sports Park	\$5,600,000	\$1,600,000	\$7,400,000	\$653,828	\$6,746,172
2700 CFD Environmental Mitigation	\$1,000,000	\$2,669,553	\$3,669,553	\$243,000	\$3,426,553
2800 CFD Neighborhood Park	\$1,200,000	\$745,973	\$1,945,973	\$916,002	\$1,029,971
2900 CFD Long Valley Channel	\$7,600,000	\$473,903	\$8,073,903	\$2,417,101	\$5,656,802
3000 CFD Santa Gertrudis Creek	\$3,000,000	-\$458,805	\$2,541,195	\$1,283,635	\$1,257,560
3100 CFD North Loop Road	\$2,100,000	-\$1,646,202	\$453,798	-\$862,671	\$1,316,469
3200 CFD South Loop Road	\$1800,000	-\$480,158	\$1318,844	-\$215,680	\$347,574
3300 CFD Rorpaugh Valley Rd (A Str)	\$1,700,000	-\$385,435	\$1,314,565	\$1,199,521	\$124,044
3400 CFD Fleets Ranch Road (B Str)	\$1,100,000	-\$339,187	\$760,813	\$870,618	\$10,195
Total CFD	\$97,795,576	\$10,538,782	\$108,334,357	\$21,642,918	\$86,691,439
Total Hard Cost Expenses	\$98,334,525	\$29,798,209	\$128,132,734	\$25,272,248	\$102,860,485
SOFT COSTS					
3500 Engineering Fees	\$2,848,527	\$951,473	\$3,800,000	\$2,094,022	\$1,705,978
3600 Environmental Fees	\$350,000	\$0	\$350,000	\$350,000	\$0
3700 Payoff AD 181	\$92,453	\$0	\$92,453	\$92,453	\$0
3800 Builders Capital Fee	\$250,000	\$0	\$250,000	\$250,000	\$0
4000 Fees, Bonds & Permits	\$2,944,027	\$289,973	\$3,234,000	\$2,997,808	\$236,192
4100 Taxes & Insurance	\$3,346,000	\$3,732,832	\$7,078,832	\$1,844,032	\$5,234,800
4200 Constr. Mgmt/CAAdmin	\$1,245,482	\$3,154,518	\$4,400,000	\$1,157,815	\$3,242,185
4300 Contingency	\$806,464	\$0	\$806,464	\$806,464	\$0
4700 Inspections	\$8,000	\$0	\$8,000	\$0	\$8,000
4900 OSB Debt Service Reserve	\$17,477,485	\$9,558,000	\$20,000,000	\$9,913,465	\$10,086,535
Bridge Financing Costs		\$20,000,000	\$20,000,000	\$0	\$20,000,000
Total Soft Cost Expenses	\$23,268,437	\$36,438,828	\$59,707,257	\$18,477,176	\$41,230,081
TOTALS	\$144,459,000	\$66,237,035	\$211,256,482	\$51,858,883	\$159,397,599
Current Sales Revenue (Retail)					
Phase 1: DR Horton Closing	\$ 8,837,706.00				
KB Option (Overall) 10% discount no participation	\$ 24,808,200.00				
KB Option (PA 12)	\$ 4,411,380.00				
Commercial Site (PA 11)	\$ 6,534,000.00				
(12) Acres Elementary School	\$ 11,598,400.00				
(20) Acres Middle School	\$ 18,477,333.00				
CFD Reimbursements (Balance)	\$ 40,103,002.00				
Subtotal	\$ 3,313,780,026.00				
Total Phase 1 & 2 Completion Costs	\$ 2,111,208,402.42				
Totals					
Total Phase 1 & 2 Completion Costs	\$211,208,402				
CFD Acquisition Funds	-\$40,105,002				
Bridge Financing	\$23,440,000				
Payoff of DR Horton	-\$8,837,706				
New AmTrust Credit Facility Cap	\$187,800,775				
Existing AmTrust Credit Facility Cap	-\$108,500,000				
AmTrust Cap Increase	\$79,300,775				
Overall LTV	87.11%				

05/26/2007



NOV 16 2005

BE 342/73-BB 7247 WBP MD. 29333-2

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 08-10-2011 BY 60322 UCBAW

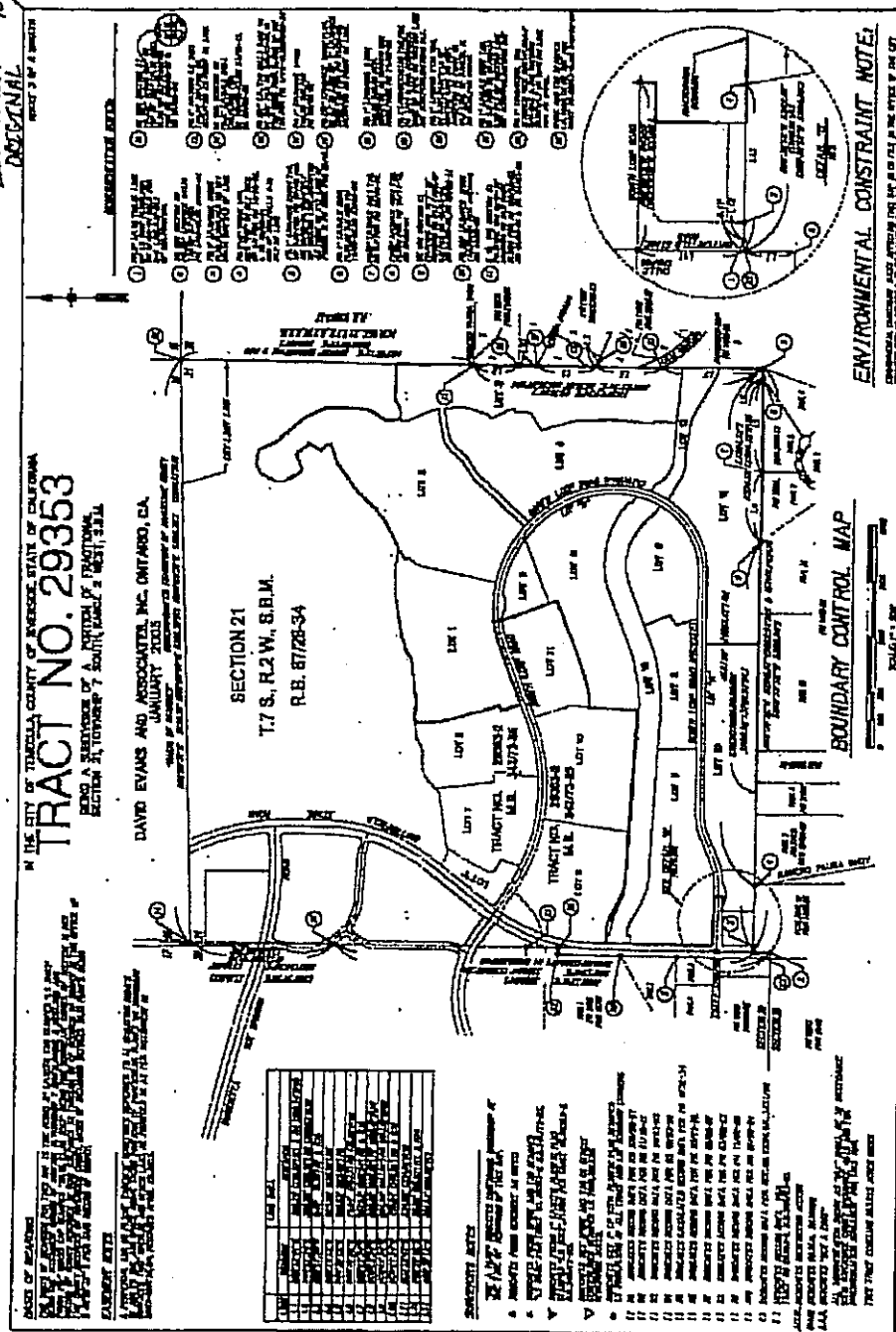
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Order: JAYJAY Comment:

SECTION 22 TOWNSHIP 2 SOUTH, RANGE 2 WEST

Exhibit 1-00161

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Description: Riverside, CA Tract Map 401.89 Page: 2 of 8
Order: jayjay Comment:



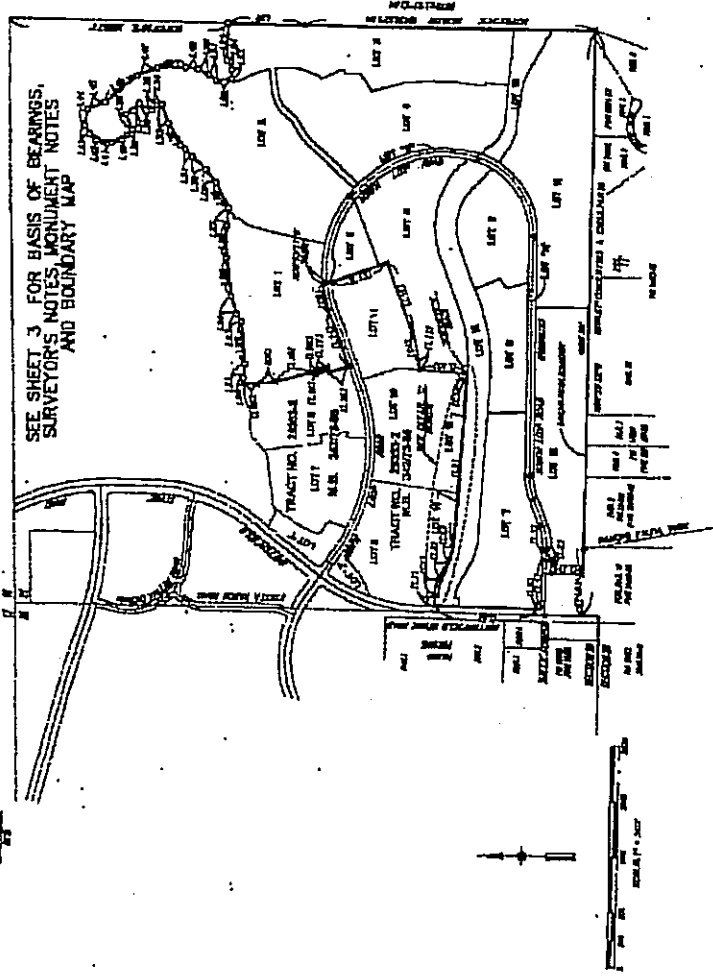
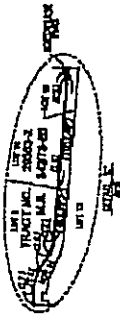
Description: Riverside, CA Tract Map 401.89 Page: 3 of 8
Order: jayjay Comment:

2004-0322169
401.89
ORIGINAL
SHEET 4 OF 8 SHEETS

IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
TRACT NO. 29353
SECTION 4, TOWNSHIP 7 NORTH, RANGE 2 WEST, N.E. 1/4

DAVID EVANS AND ASSOCIATES, INC. CIVIL ENGINEER, C.E.
JANUARY 2005

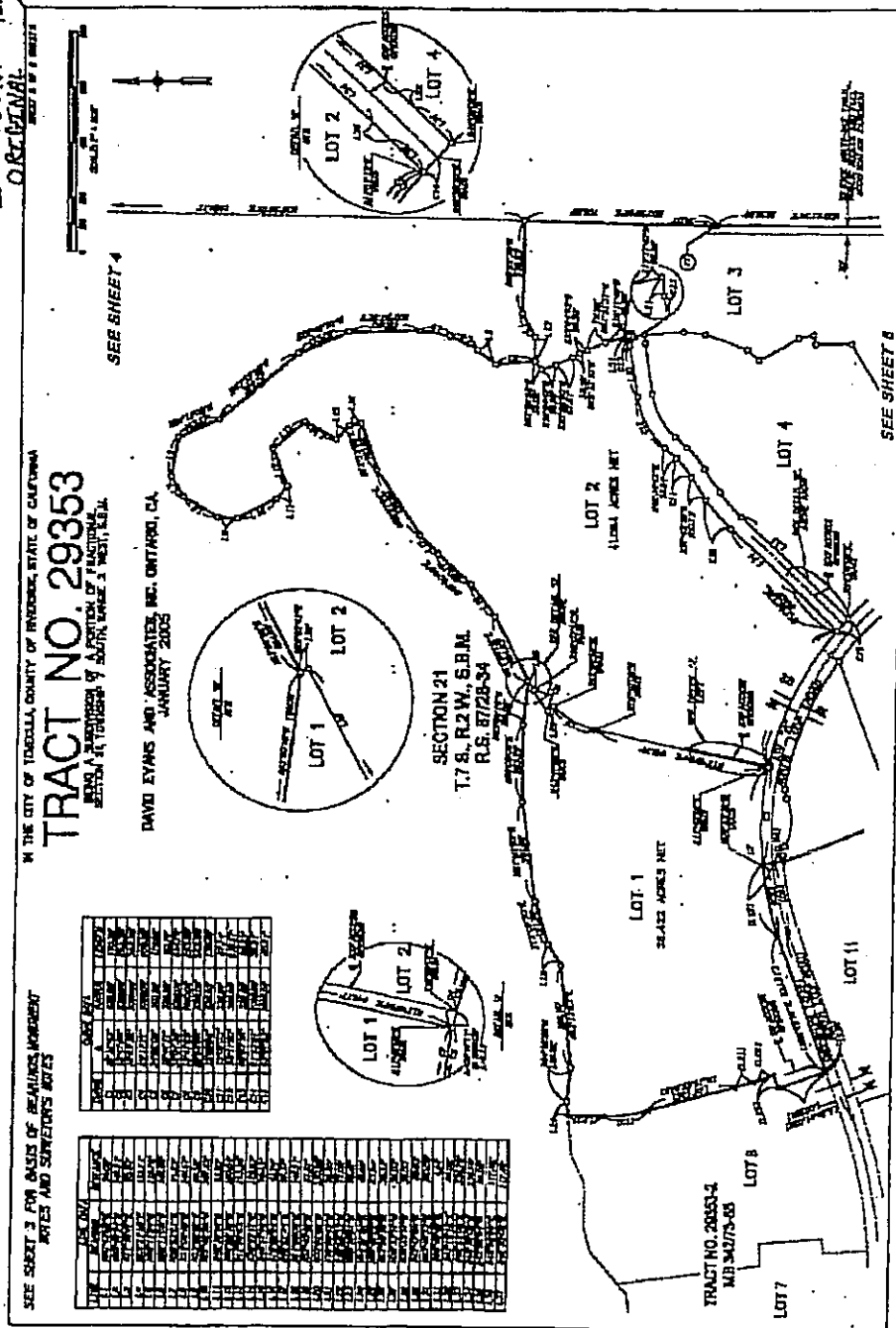
SEE SHEET 3 FOR BASIS OF BEARINGS,
SURVEYOR'S NOTES, MONUMENT NOTES
AND BOUNDARY MAP



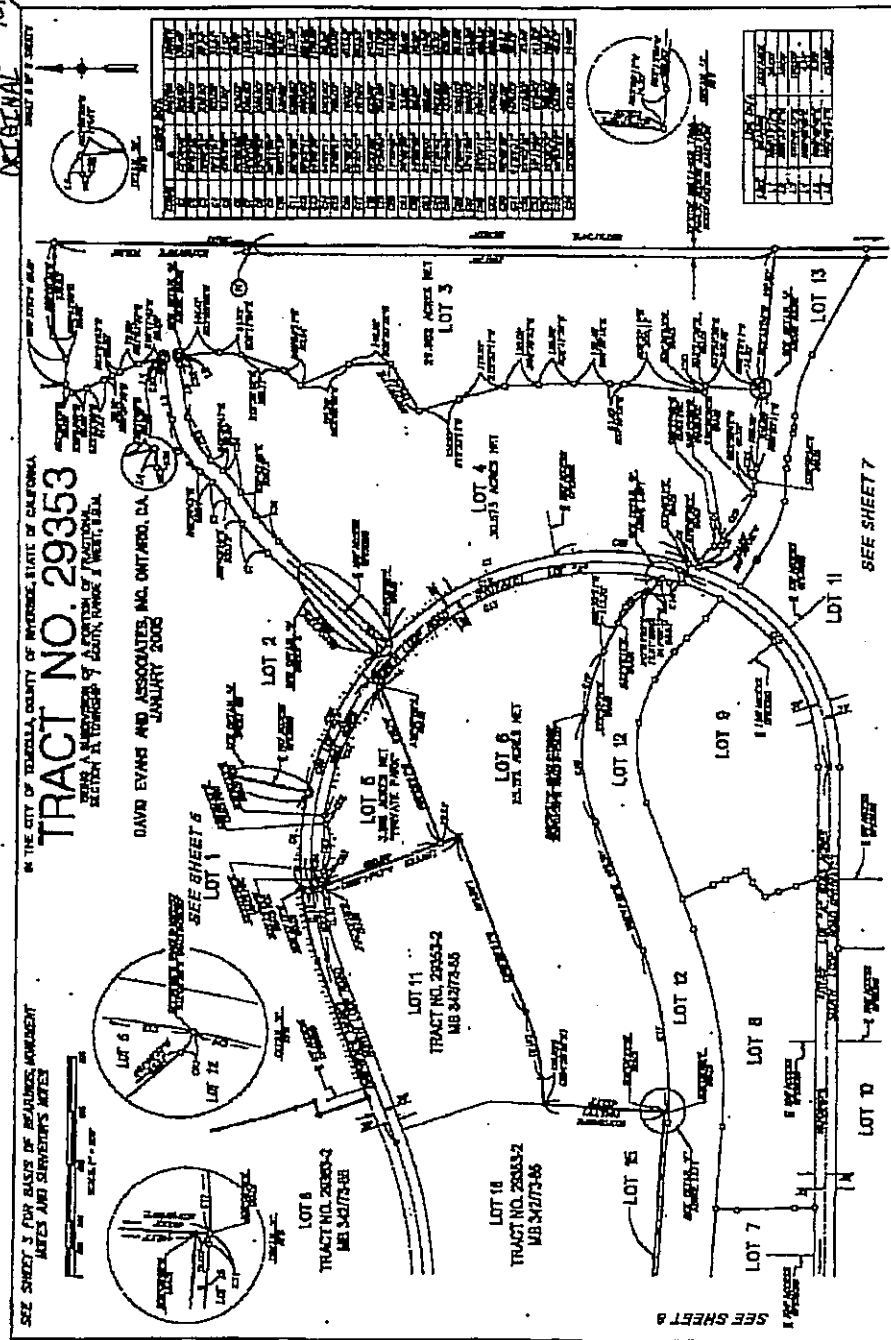
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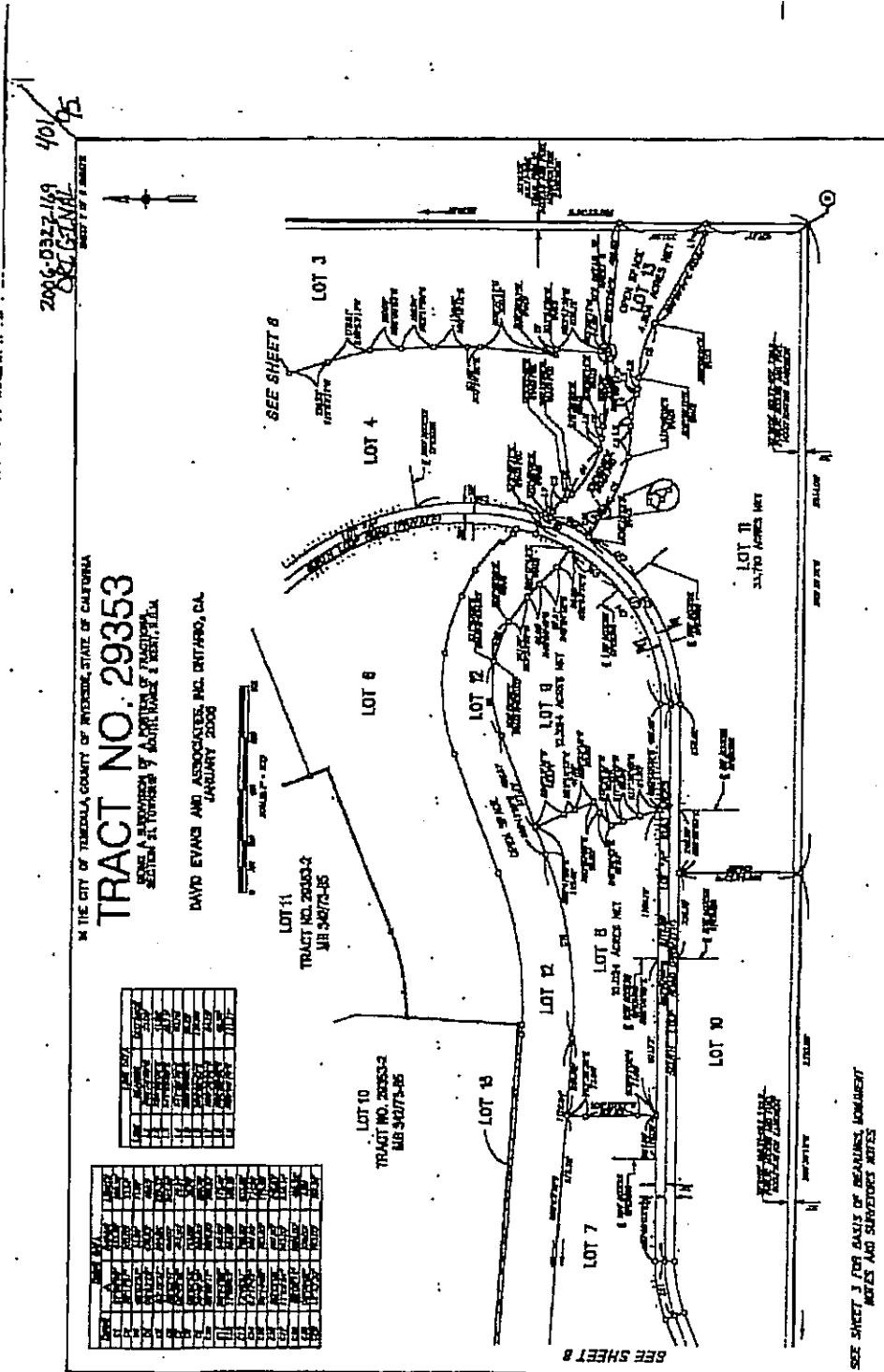
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Order: jayjay Comment:



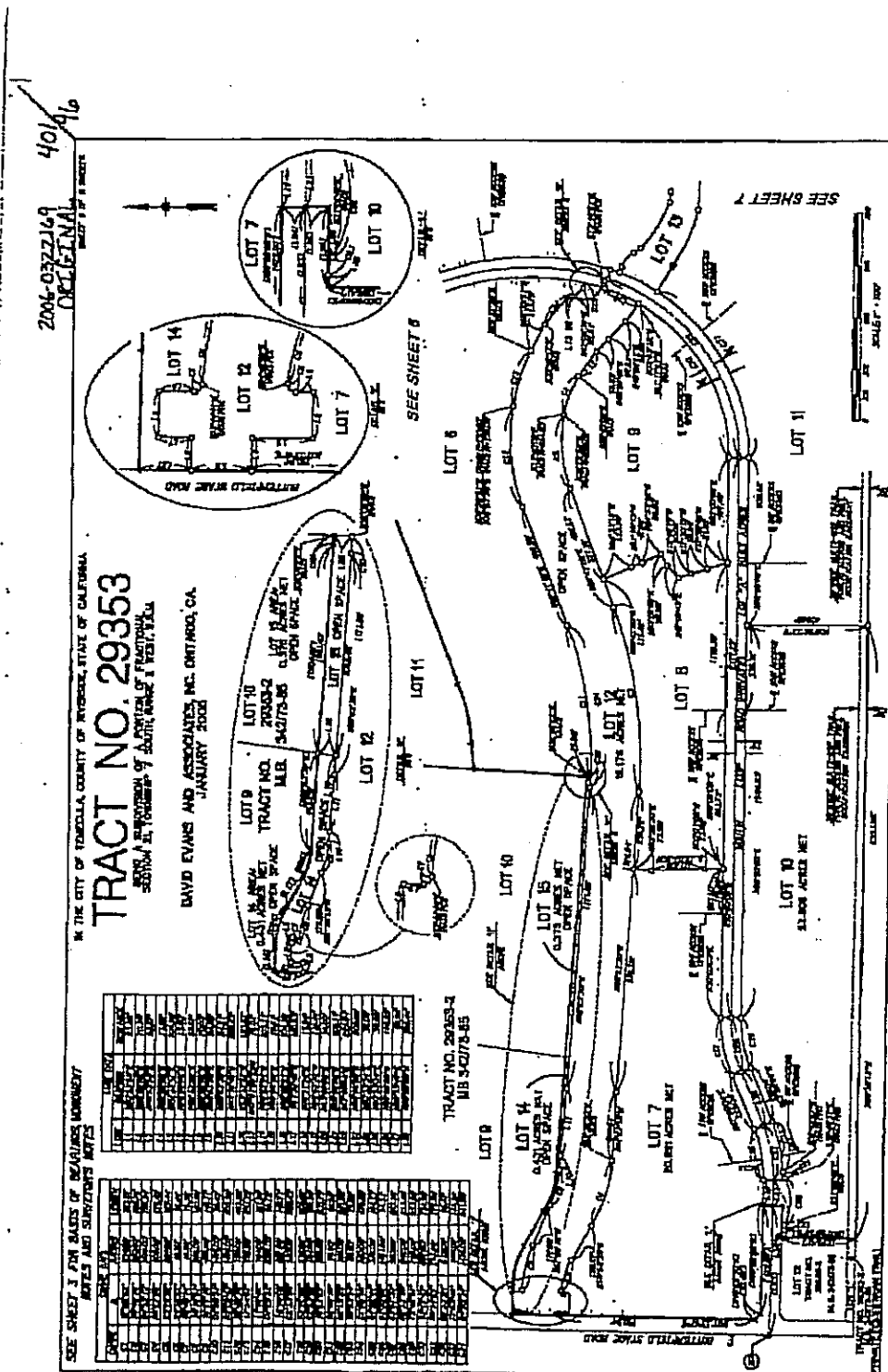
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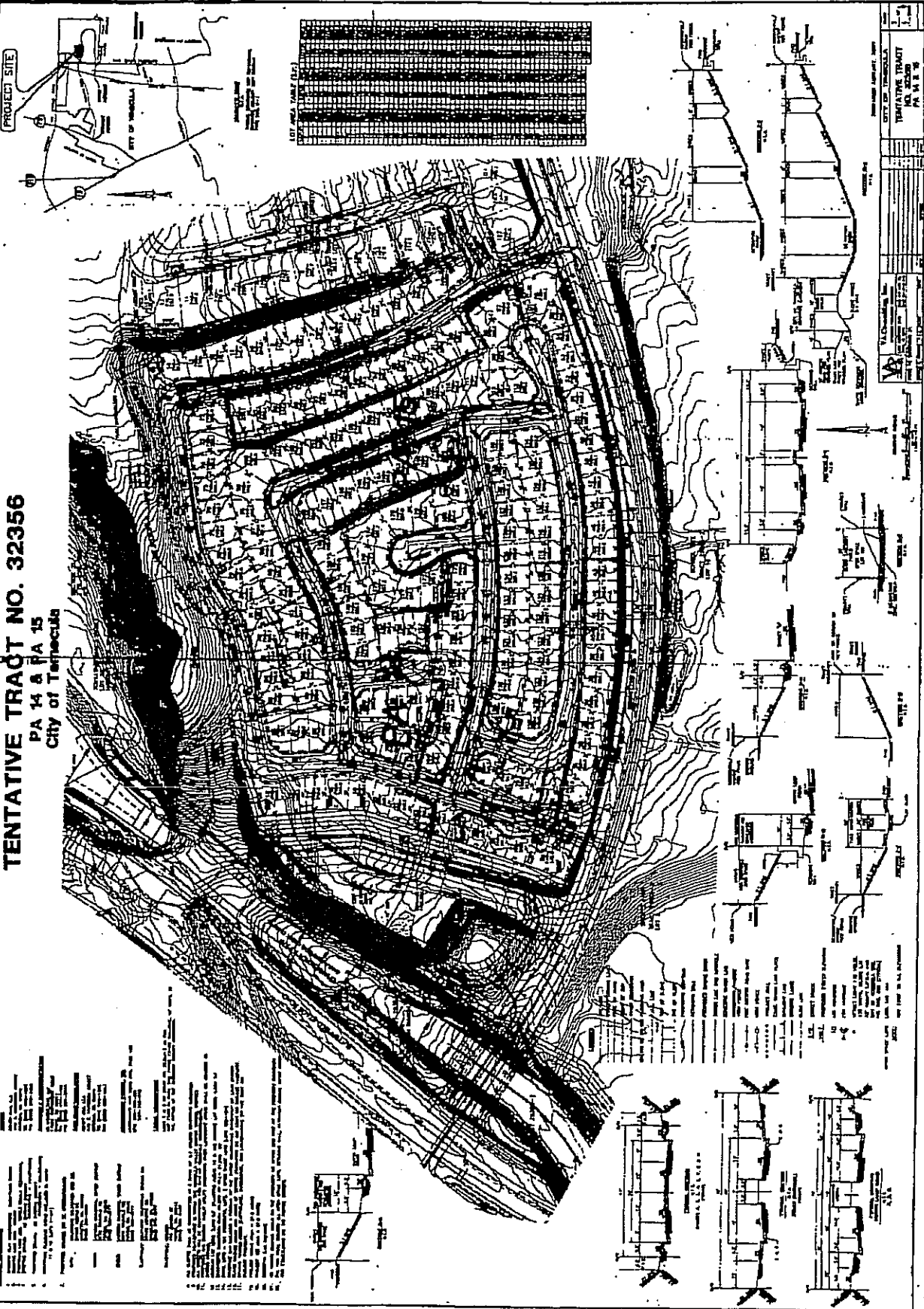
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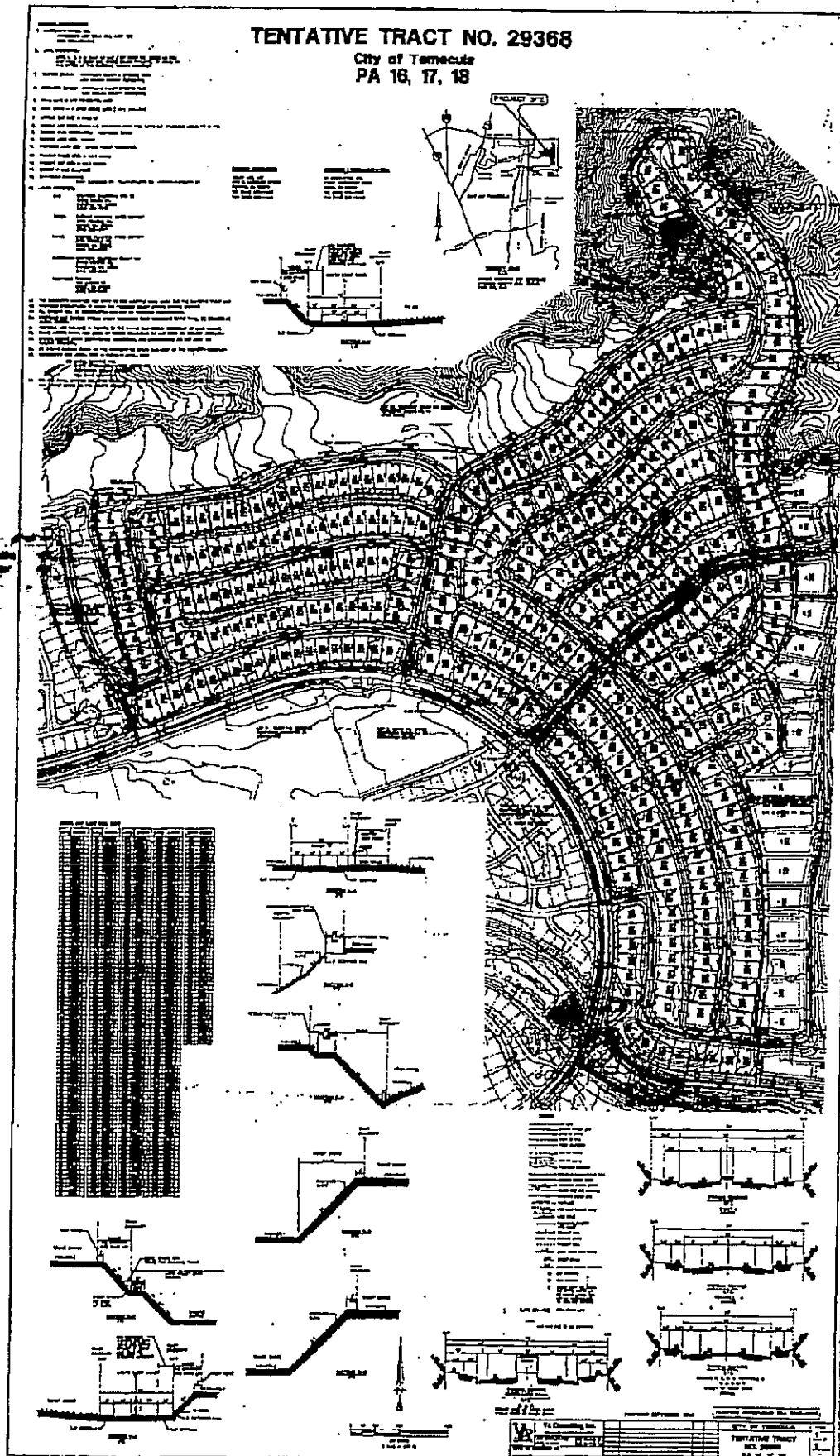


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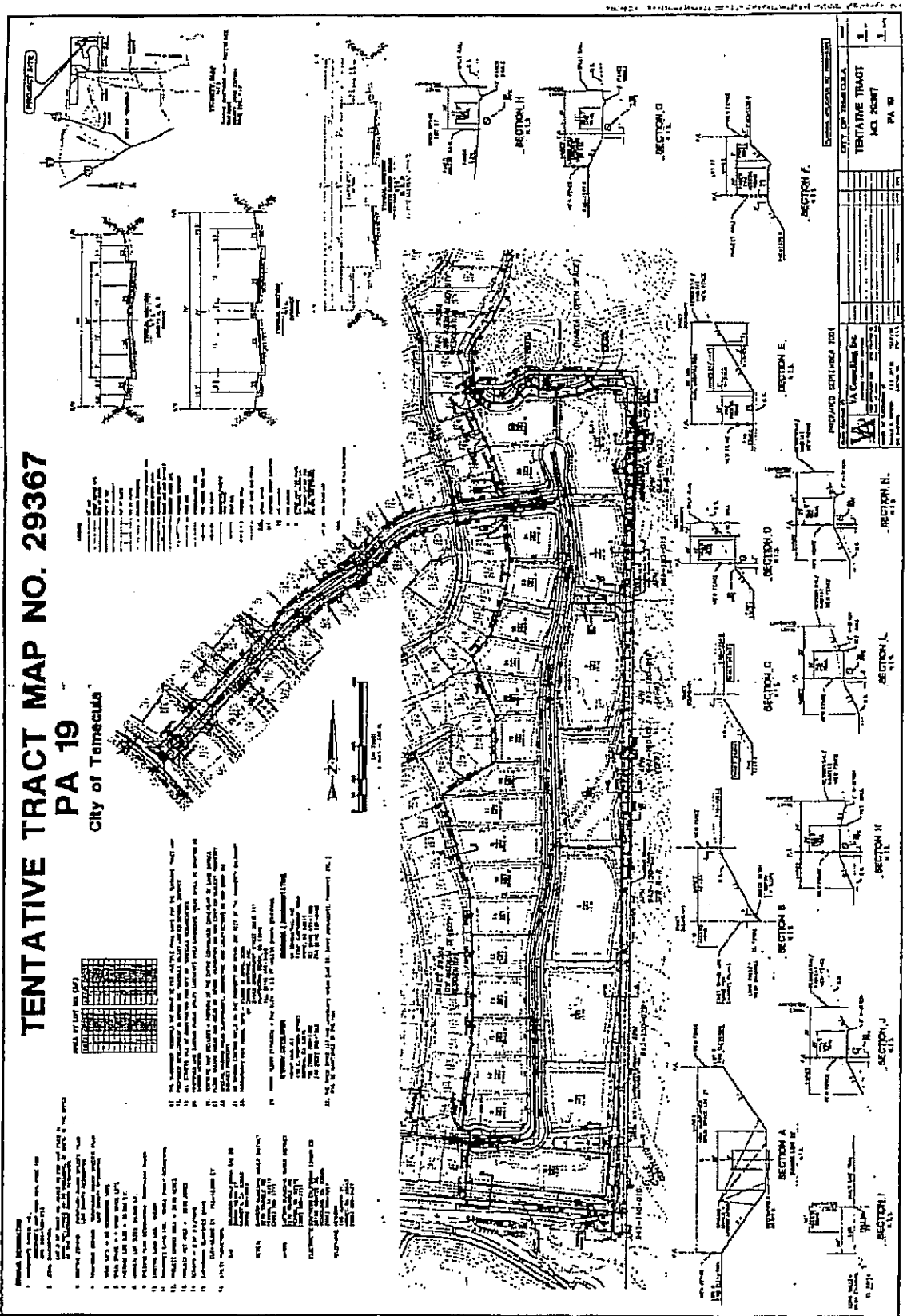


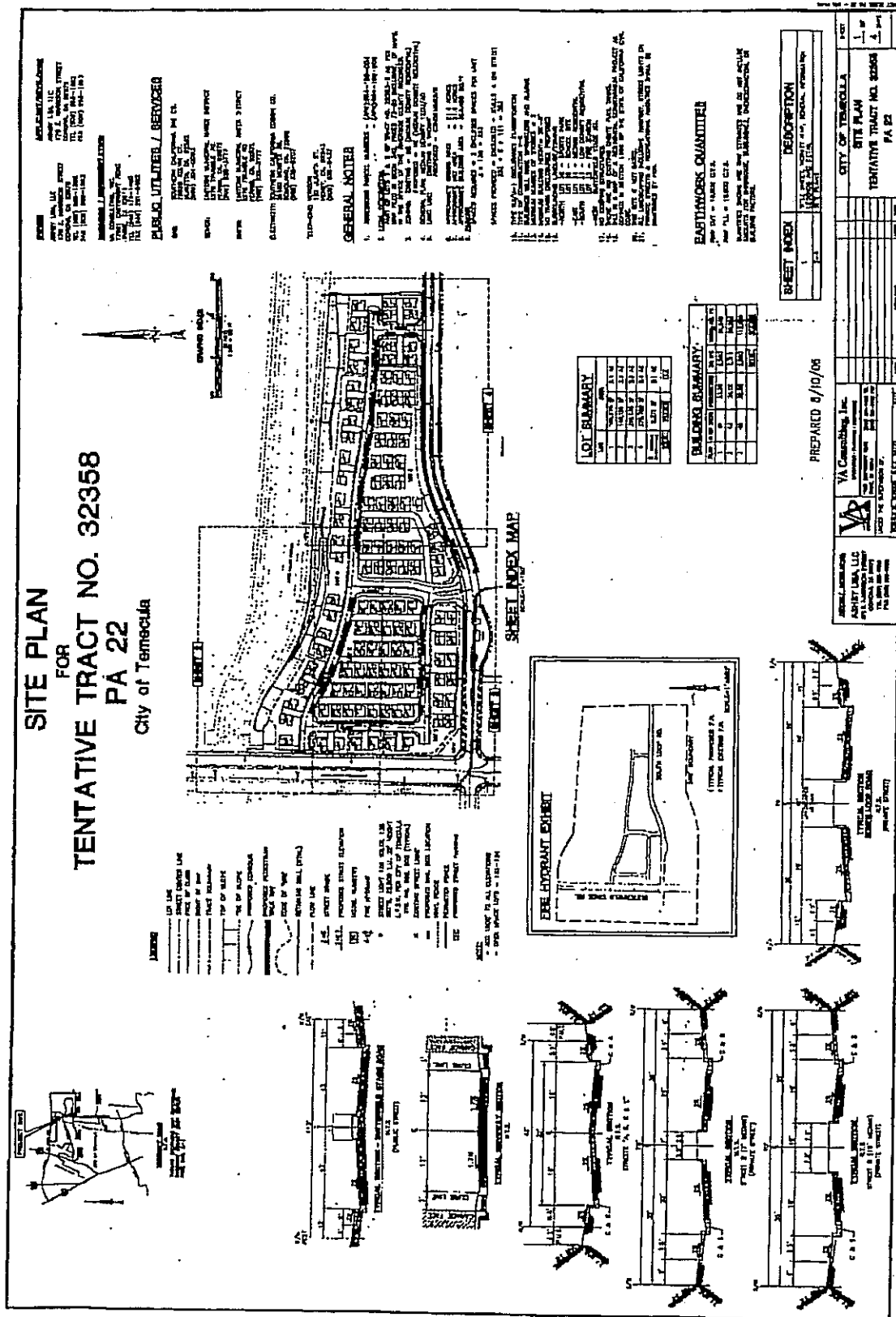
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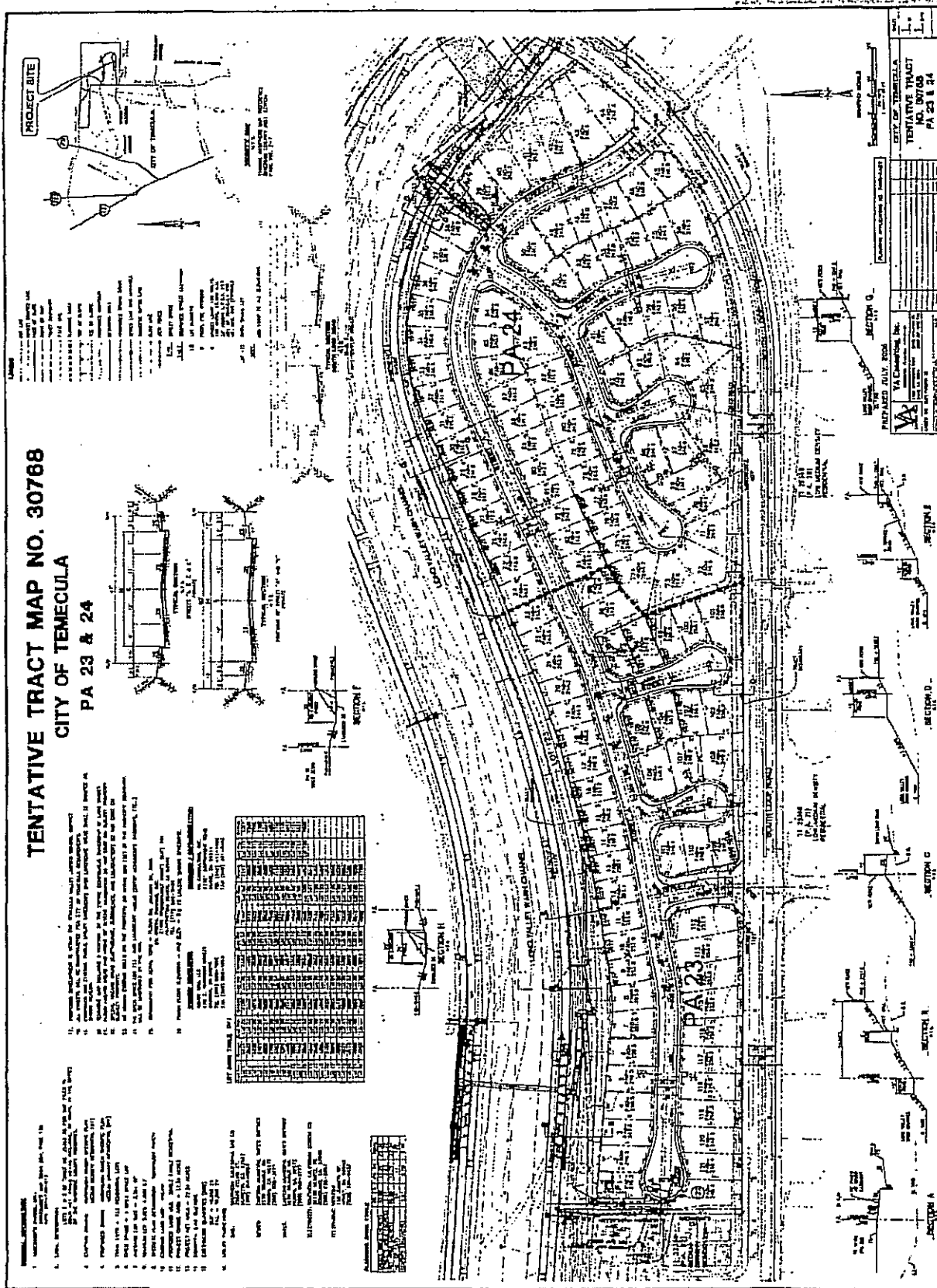


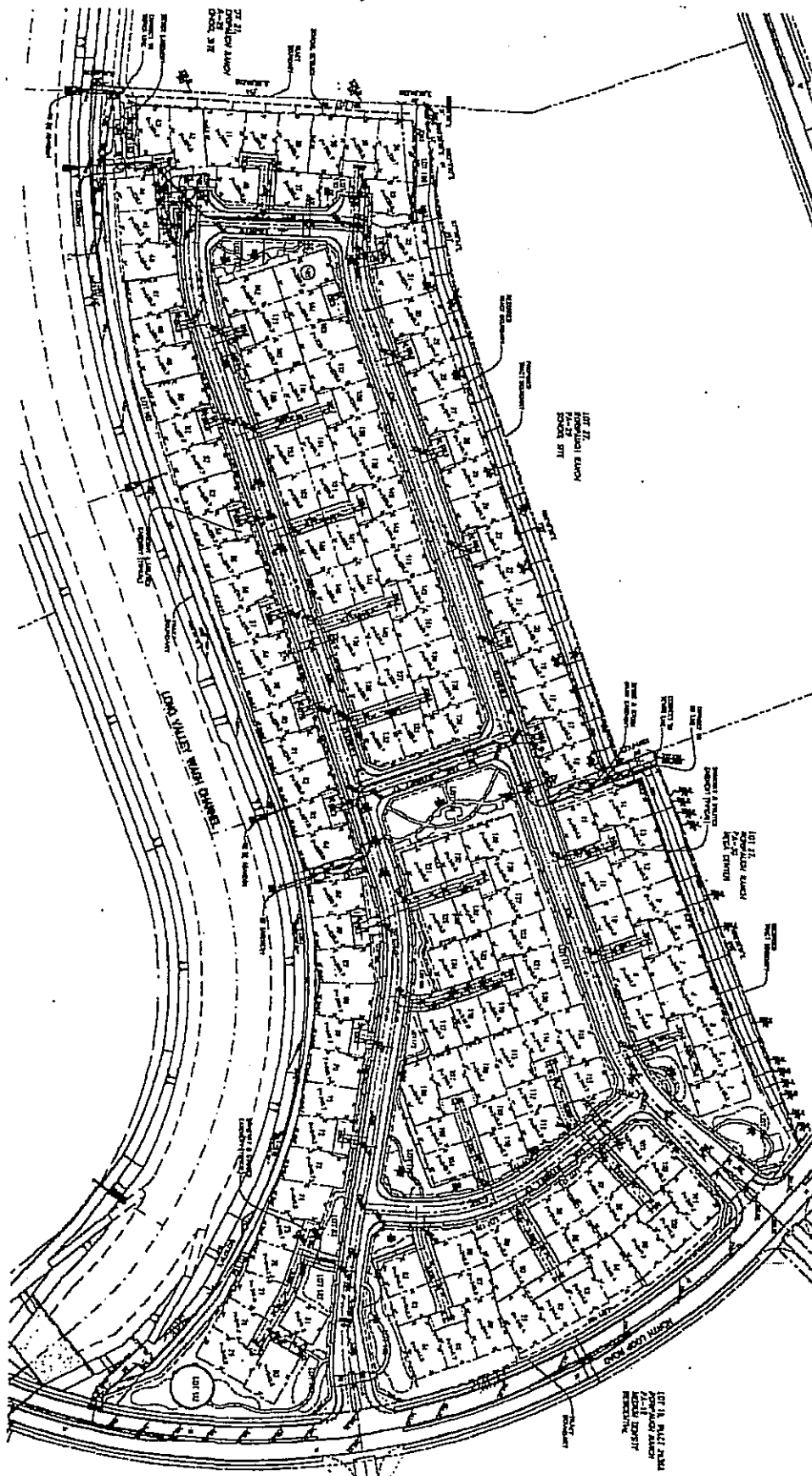


TENTATIVE TRACT MAP NO. 29367
 PA 19
 City of Torrance
 BY LAST REG. MAP
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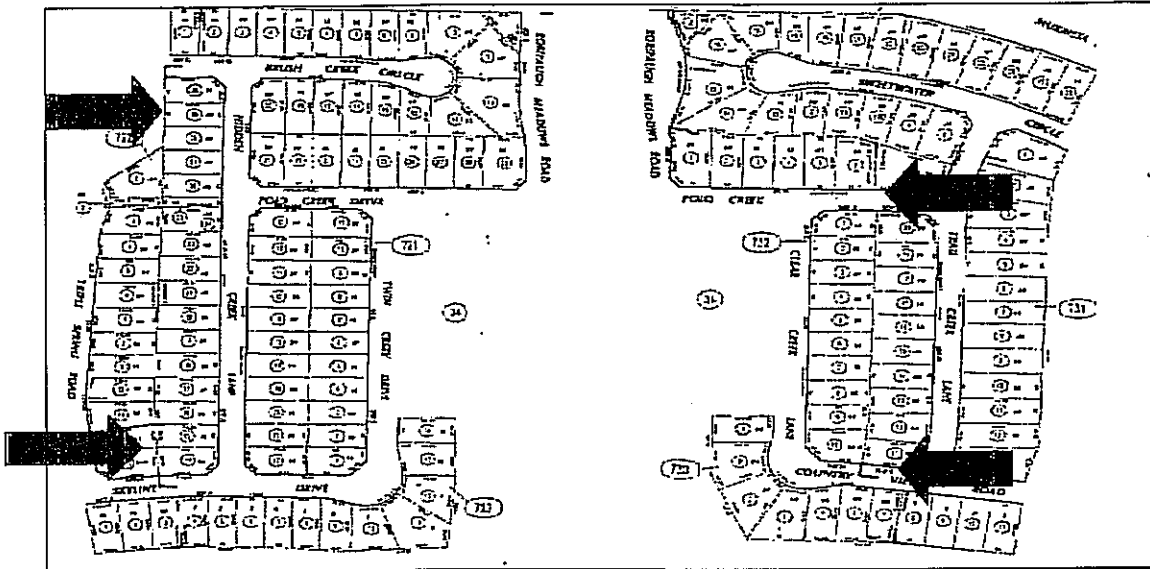






The image contains two site plans for a mobile home park. The left plan shows a layout with a central 'COURT' and 'ROAD' areas, surrounded by rows of mobile home units. The right plan shows a similar layout with a 'COURT' and 'ROAD' area, but with a different arrangement of units and a 'VIEW' area. Both plans include a north arrow and a scale bar.

Seller, appraisal files, and public records

Michael Frauenthal & Associates, Inc.Appraisal of Tract 30808-1, Winchester Ranch, Winchester, CA**LAND SALE 2****PROPERTY DATA**

Identification:

Location:

Map Grid:

Legal Description:

APNs:

Number of Lots:

Lot Size:

Condition:

Views:

Taxes:

Roripaugh Ranch, Phase I (Planning Area 3)

Murrieta Hot Springs Road at Pourroy Road, Temecula

929-D/6

Tract 29661-3

957-720-004 thru 014; 957-721-001 thru 022; 957-722-014 thru 030;

957-723-002 thru 029; 957-730-001 thru 007; 957-732-001 thru 010 &

957-733-001 thru 006

99

5,000 SF minimum

Nearly finished w/ recorded map

Minor

2.0% effective tax rate (projected)

SALE DATA

Recording Date:

Sale Price:

Sale Price/Lot:

Finishing Cost/Lot:

Approx. Finished Lot Cost:

Buyer:

Seller:

Terms:

Document No.:

Prior Sales (3 years):

Source:

May 7, 2008

\$6,000,000

\$60,000

\$31,376

\$91,376

HRA Roripaugh 1 LLC

Vineyard Bank

All cash

2008-192480

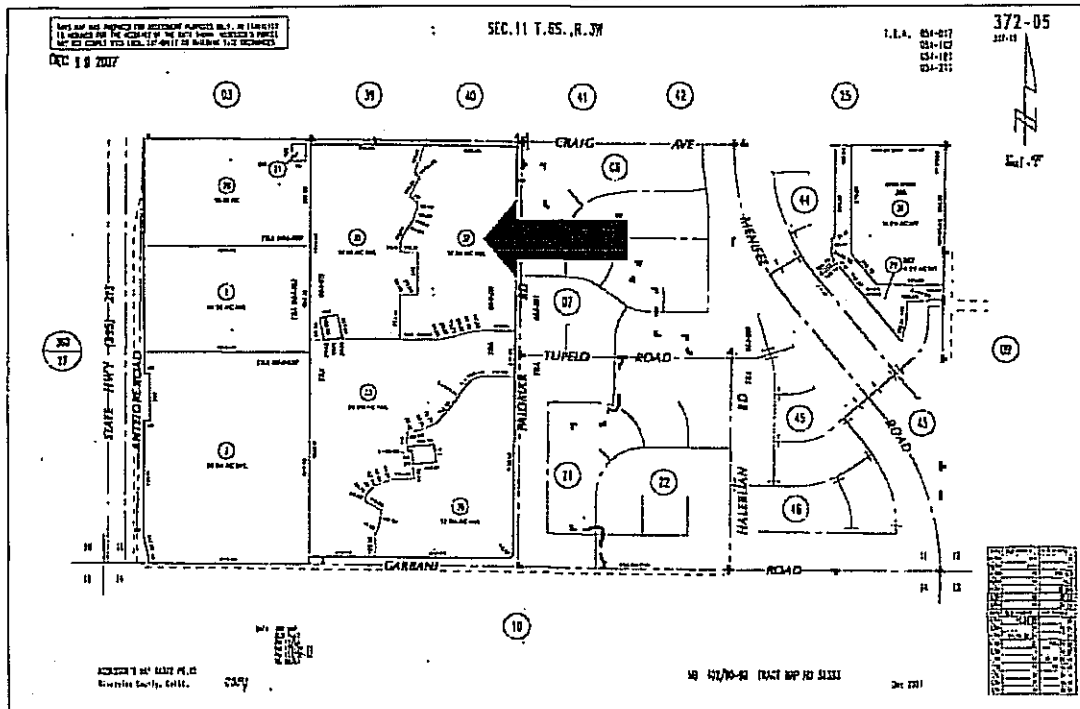
Purchased by Tanamera Homes in December 2005 for \$18,340,000.

Vineyard Bank acquired through foreclosure in _____ 2007

Seller, appraisal files, and public records

Michael Frauenthal & Associates, Inc.

Appraisal of Tract 30808-1, Winchester Ranch, Winchester, CA

LAND SALE 3**PROPERTY DATA**

Identification: Terra Bella (McKinley Capital)
 Location: SWC Craig & Palomar, Menifee
 Map Grid: 868-F/5
 Legal Description: Tract 28206-3
 APNs: 372-050-032
 Number of Lots: 64
 Lot Size: 7,200 SF minimum
 Condition: Blue-topped lots plus wet utilities w/ final map
 Views: Minor
 Taxes: 2.0% effective tax rate (projected)

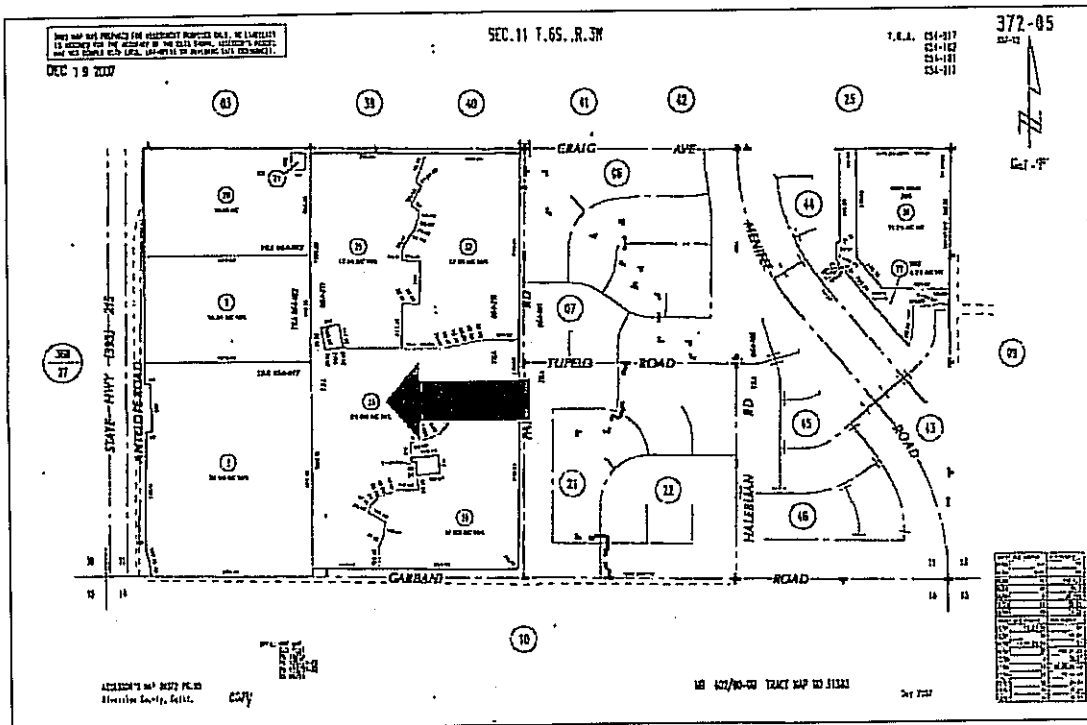
SALE DATA

Recording Date: April 11, 2008
 Sale Price: \$1,792,000
 Sale Price/Lot: \$28,000
 Finishing Cost/Lot: \$45,000*
 Approx. Finished Lot Cost: \$73,000*
 Buyer: McKinley Capital Partners LLC
 Seller: Garbani 2005 LLC (Granite Homes)
 Terms: All cash
 Document No.: 2008-180870
 Prior Sales (3 years): Part of 80-acre site Granite purchased in June 2005 for reported \$23.5 million.
 Source: Broker, appraisal files, and public records

*Assumes \$25,000 per lot in CFD credits/reimbursements.

Michael Frauenthal & Associates, Inc.

Appraisal of Tract 30808-1, Winchester Ranch, Winchester, CA

LAND SALE 4**PROPERTY DATA**

Identification: Terra Bella (Watt Communities)
 Location: NWC Garbani & Palomar, Menifee
 Map Grid: 868-F/5
 Legal Description: Tract 28206-1 & -F
 APNs: 372-050-033
 Number of Lots: 128
 Lot Size: 7,200 SF minimum
 Condition: Blue-topped lots plus wet utilities w/ final map
 Views: Minor
 Taxes: 2.0% effective tax rate (projected)

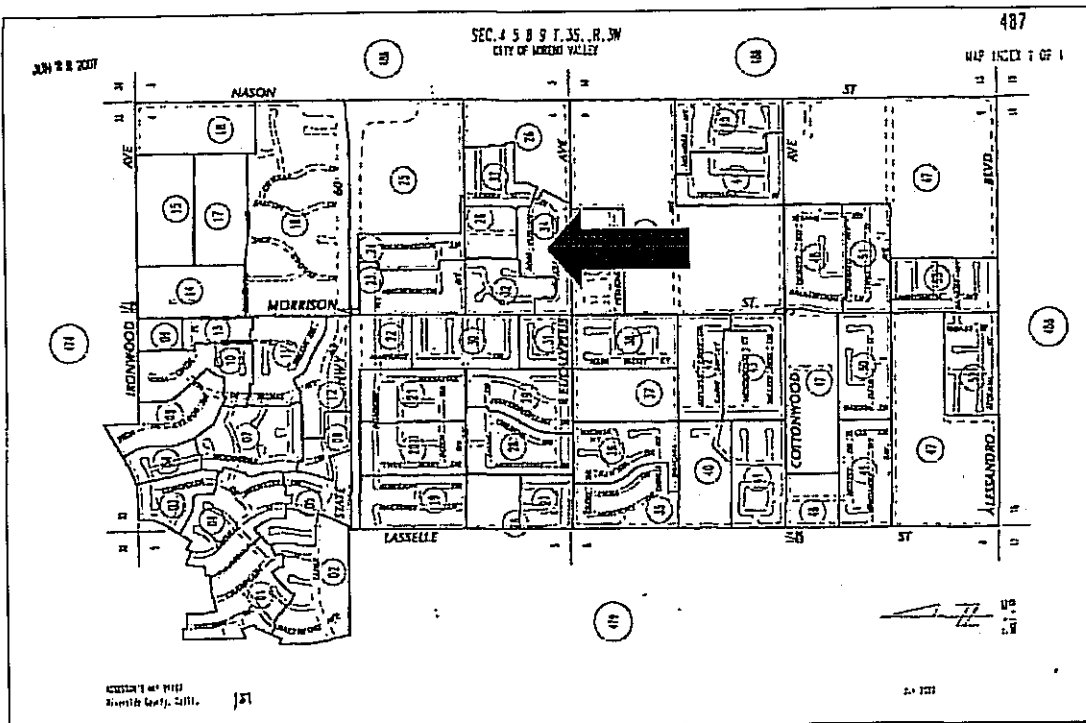
SALE DATA

Recording Date: March 21, 2008
 Sale Price: \$3,584,000
 Sale Price/Lot: \$28,000
 Finishing Cost/Lot: \$45,000*
 Approx. Finished Lot Cost: \$73,000*
 Buyer: Watt Communities LLC
 Seller: Garbani 2005 LLC (Granite Homes)
 Terms: All cash
 Document No.: 2008-139797
 Prior Sales (3 years): Part of 80-acre site Granite purchased in June 2005 for reported \$23.5 million.
 Source: Broker, appraisal files, and public records

*Assumes \$25,000 per lot in CFD credits/reimbursements.

Michael Frauenthal & Associates, Inc.

Appraisal of Tract 30808-1, Winchester Ranch, Winchester, CA.

LAND SALE 5**PROPERTY DATA**

Identification:

Location:

Map Grid:

Legal Description:

APNs:

Number of Lots:

Lot Size:

Condition:

Views/Taxes:

Savannah

NW/O Eucalyptus & Nason Avenues, Moreno Valley,

718-A,B/

Tract 27251

487-260-006; 487-320-001 thru 014; 487-321-001 thru 032; 487-340-001 thru 020; 487-340-001 thru 023; 487-342-001 thru 005 & 487-343-001 thru 011

184

7,200 SF minimum

70 finished lots, 28 lots finished except streets, and 86 graded lots

Minor/1.8 % effective tax rate (projected)

SALE DATA

Recording Date:

Sale Price:

Sale Price/Lot:

Finishing Cost/Lot:

Approx. Finished Lot Cost:

Buyer:

Seller:

Terms:

Document No.:

Prior Sales (3 years):

Source:

January 3, 2008

\$3,500,000

\$19,022

\$69,500

\$89,000

WSI Lincoln Property Holdings, LLC (Richland Communities)

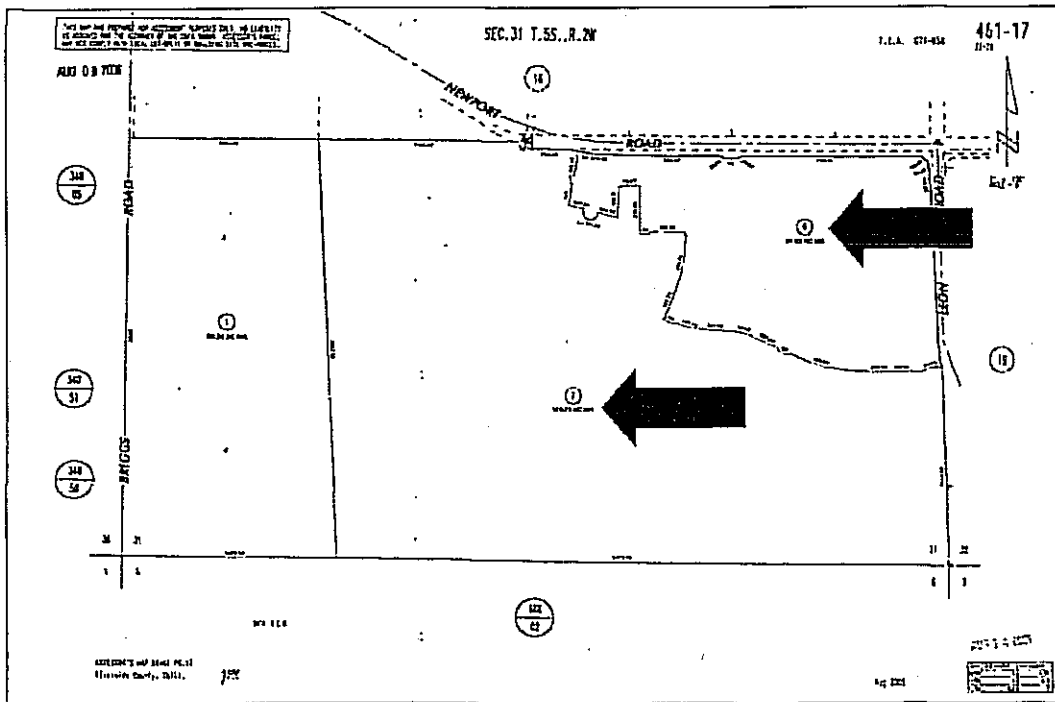
Richmond American Homes

All cash

2008-0000305

N/A

John Schafer, for buyer (lot condition and sale price), and Lindsay Marrone, broker (finishing costs)

Michael Frauenthal & Associates, Inc.Appraisal of Tract 30808-1, Winchester Ranch, Winchester, CA**LAND SALE 6****PROPERTY DATA**

Identification:	Winchester Ridge
Location:	SWC Leon and Newport/Domenigoni, Winchester
Map Grid:	869-B/1
Legal Description:	Tract 31892
APNs:	461-170-006 & 007
Number of Lots:	379
Lot Size:	7,200 SF minimum
Condition:	Blue-topped w/ final map
Views:	Minor
Taxes:	2.0% effective tax rate (projected)

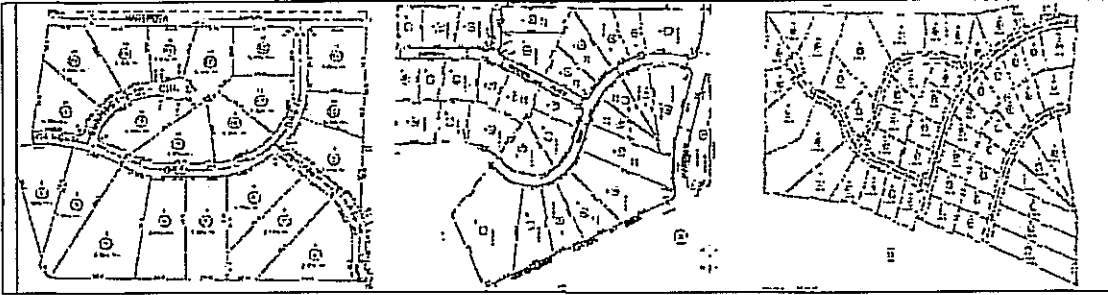
SALE DATA

Recording Date:	November 29, 2007
Sale Price:	\$10,500,000
Sale Price/Lot:	\$27,704
Finishing Cost/Lot:	\$60,000
Approx. Finished Lot Cost:	\$88,000
Buyer:	Bluestone Communities
Seller:	Lennar Homes of California Inc.
Terms:	All cash
Document No.:	2007-718674
Prior Sales (3 years):	Bluestone sold the paper lots to Lennar in 2 phases closing in July 2005 and June 2006 for a total of \$31,599,883. Lennar blue-topped the lots, decided against proceeding with the development, and resold them to Bluestone for 1/3 of the original price.
Source:	Buyer

Michael Frauenthal & Associates, Inc.

Appraisal of Roripaugh Ranch, Phase II, Temecula, CA

LAND SALE 7



PROPERTY DATA

Identification:

Location:

Map Grid:

Legal Description:

APNs:

Number of Lots:

Lot Size:

Condition:

Views:

Taxes:

Mockingbird Canyon Road at Mariposa Avenue, Riverside, CA

745-G/6

Tract 22100

273-520-001 thru 021; 273-580-001 thru 008; 273-580-010 thru 023;

273-580-025 thru 043; 273-580-045 thru 052; 273-590-001 thru 005 &

273-590-007 thru 043

131

43,560 SF minimum

Unimproved w/recorded map

Minor

1.1% effective tax rate (projected)

SALE DATA

Recording Date:

Sale Price:

Sale Price/Lot:

Finishing Cost/Lot:

Approx. Finished Lot Cost:

Buyer:

Seller:

Terms:

Document No.:

Prior Sales (3 years):

Source:

February 2006

N/Av

N/Av

N/Av

\$335,000

KB Home

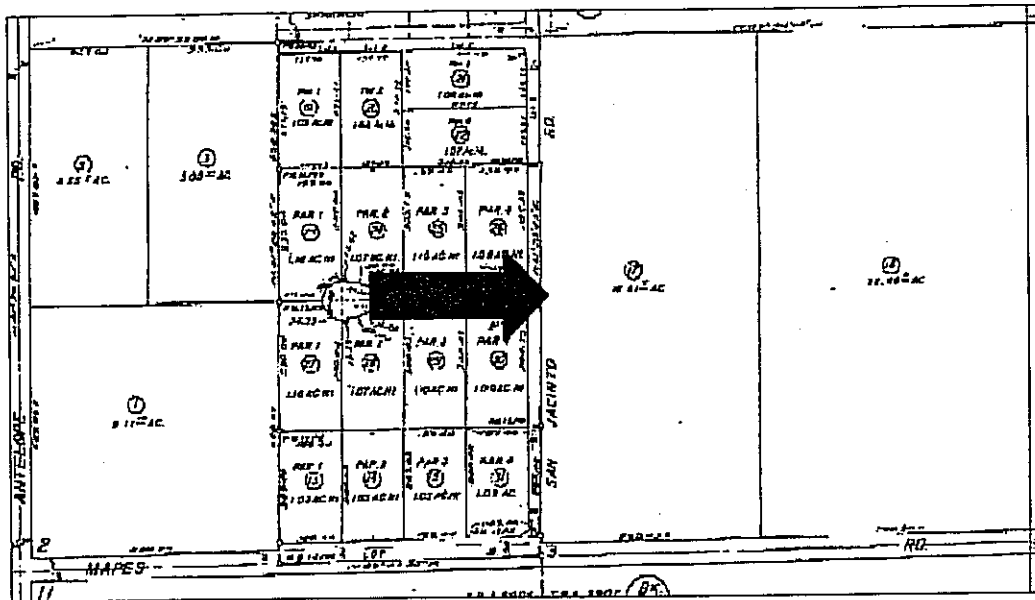
Scott Lissoy

All cash

Not available

N/A

Confidential

Michael Frauenthal & Associates, Inc.Appraisal of Roripaugh Ranch, Phase II, Temecula, CA**LAND SALE 8****PROPERTY DATA****Identification:****Location:**

NEC of Mapes Road & Trade Winds Drive, Romoland, CA

Map Grid:

808-E/6

Legal Description:

Tract 31687

APNs:

327-340-017 & 018

Number of Lots:

65

Lot Size:

21,780 SF minimum

Condition:

Unimproved w/tentative tract map

Views:

None

Taxes:

1.1 % effective tax rate (projected)

SALE DATA**Recording Date:**

June 9, 2006

Sale Price:

\$4,411,250

Sale Price/Lot:

\$67,865

Finishing Cost/Lot:

\$160,642

Approx. Finished Lot Cost:

\$228,507

Buyer:

Trade Winds 65 (Griffin Communities)

Seller:

Mapes 40, LLC

Terms:

All cash

Document No.:

06-418433

Prior Sales (3 years):

N/A

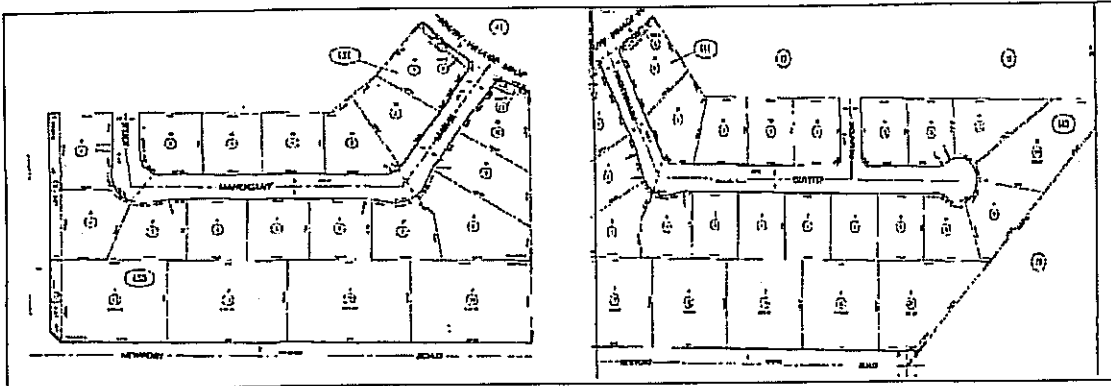
Source:

Confidential

Michael Frauenthal & Associates, Inc.

Appraisal of Roripaugh Ranch, Phase II, Temecula, CA

LAND SALE 9



PROPERTY DATA

Identification:

Location:

Map Grid:

Legal Description:

APNs:

Number of Lots:

Lot Size:

Condition:

Views:

Taxes:

NEC of State Street & Newport Road, Hemet, CA

838-11/6

Tract 32717

454-430-001 thru 010; 454-430-013 thru 016; 454-431-001 thru 006;
454-440-001 thru 015; 454-440-017 thru 021 & 454-441-001 thru 005

44

20,000 SF minimum

Blue-topped w/recorded map

Minor

1.8% effective tax rate (projected)

SALE DATA

Recording Date:

Sale Price:

Sale Price/Lot:

Finishing Cost/Lot:

Approx. Finished Lot Cost:

Buyer:

Seller:

Terms:

Document No.:

Prior Sales (3 years):

Source:

January 2006

N/A

N/A

N/A

\$165,000

Lennar Homes Home

SunCal

All cash

Not Available

N/A

Confidential

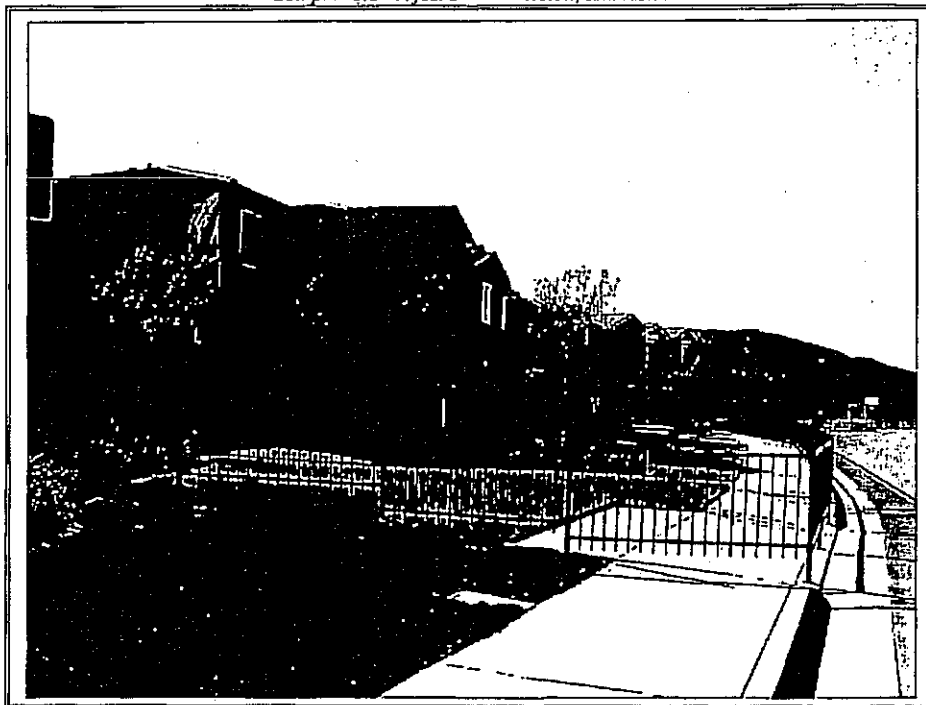
Michael Frauenthal & Associates, Inc.

Appraisal of Roripaugh Ranch, Phase II, Temecula, CA

COMPARABLE PROJECT PHOTOGRAPHS



Comparable Project 1 – Charleston, Harveston

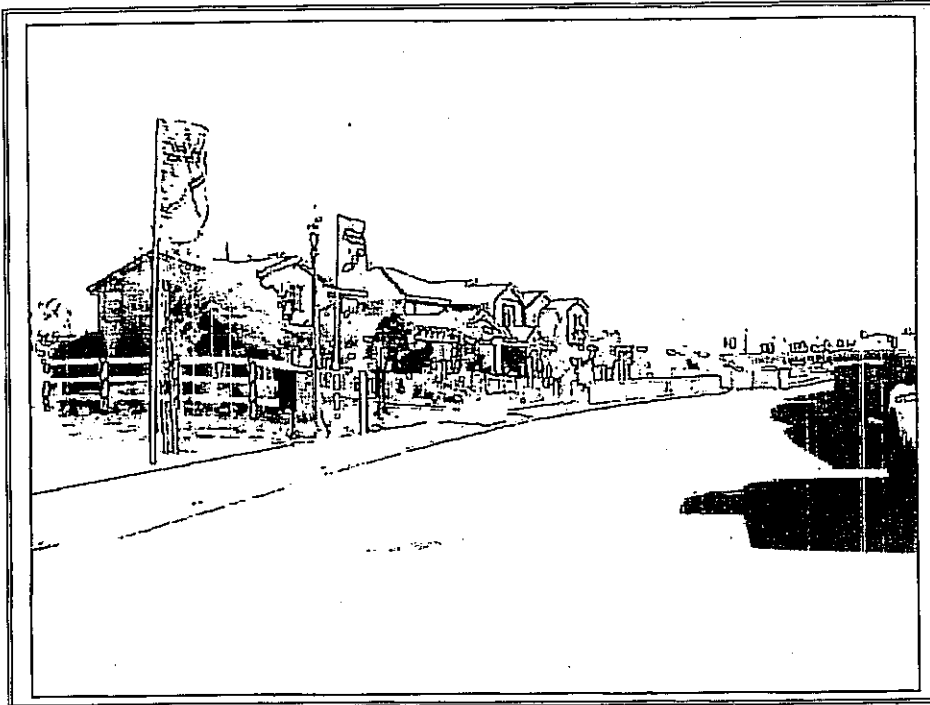


Comparable Project 2 – Stratford, Redhawk

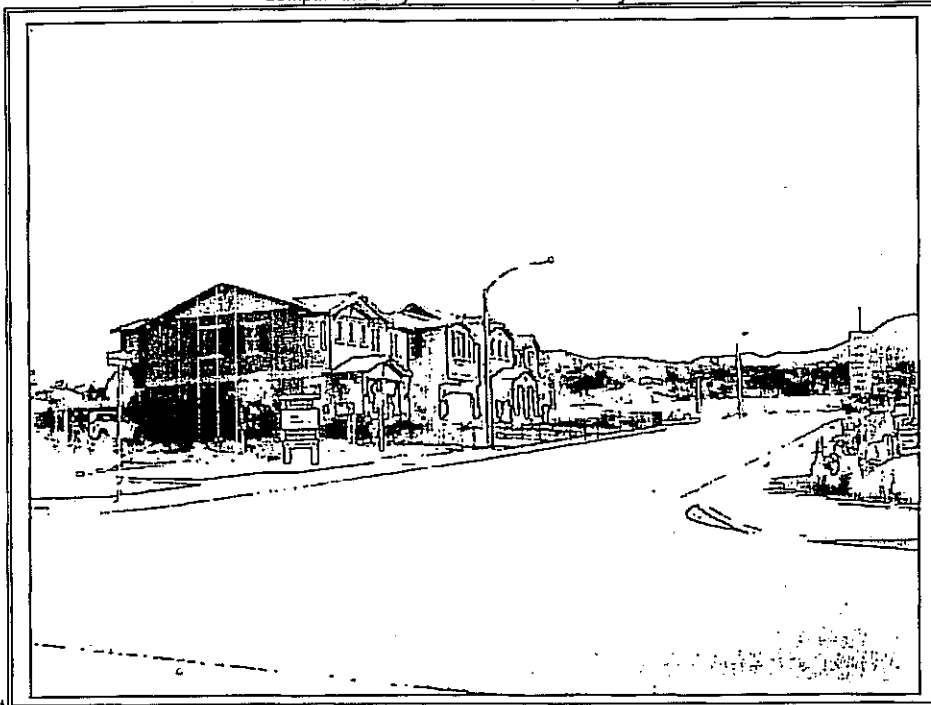
Michael Frauenthal & Associates, Inc.

Appraisal of Roripaugh Ranch, Phase II, Temecula, CA

COMPARABLE PROJECT PHOTOGRAPHS



Comparable Project 3 – Cottonwood, Wolf Creek



Comparable Project 4 – Hemmingway, Redhawk

Michael Frauenthal & Associates, Inc.

Appraisal of Roripaugh Ranch, Phase II, Temecula, CA

COMPARABLE PROJECT PHOTOGRAPHS



Comparable Project 5 – Sycamore, Wolf Creek

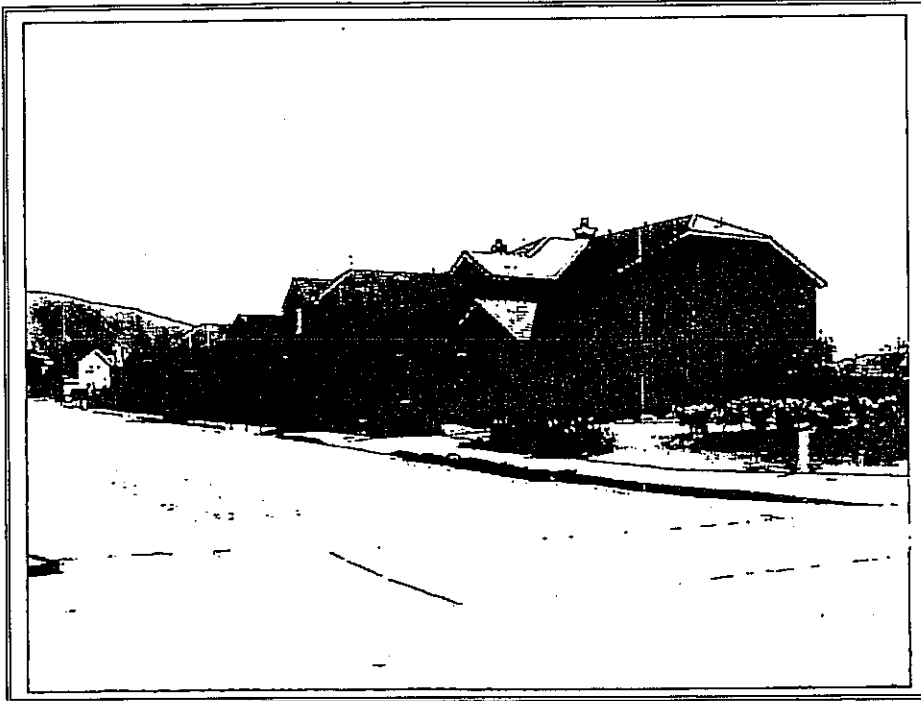


Comparable Project 6 – Ironwood, Wolf Creek

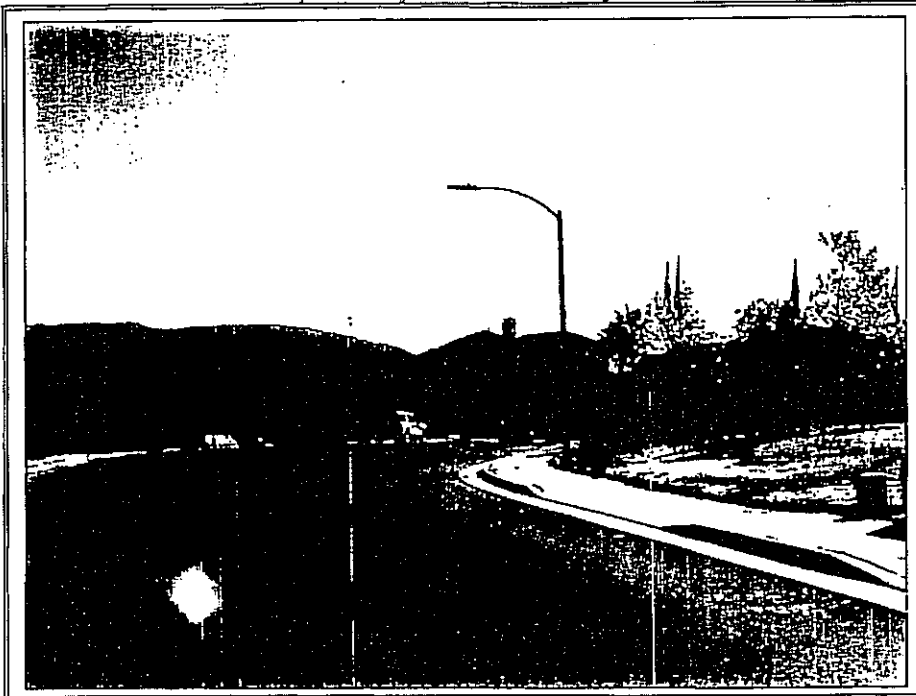
Michael Frauenthal & Associates, Inc.

Appraisal of Roripaugh Ranch, Phase II, Temecula, CA

COMPARABLE PROJECT PHOTOGRAPHS



Comparable Project 7 – Stonebriar, Wolf Creek

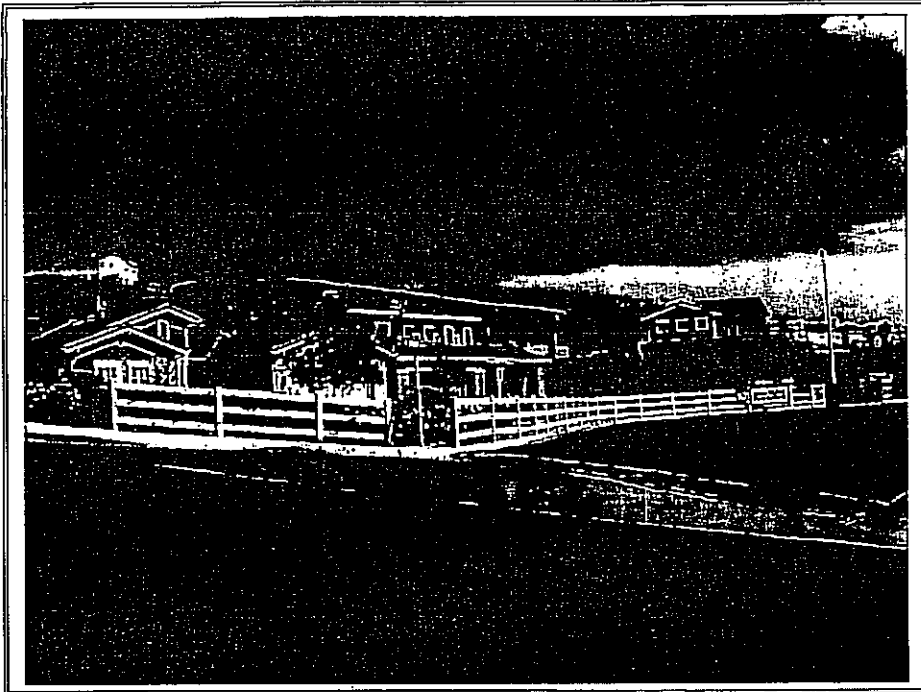


Comparable Project 8 – Ruffino, Morgan Hill

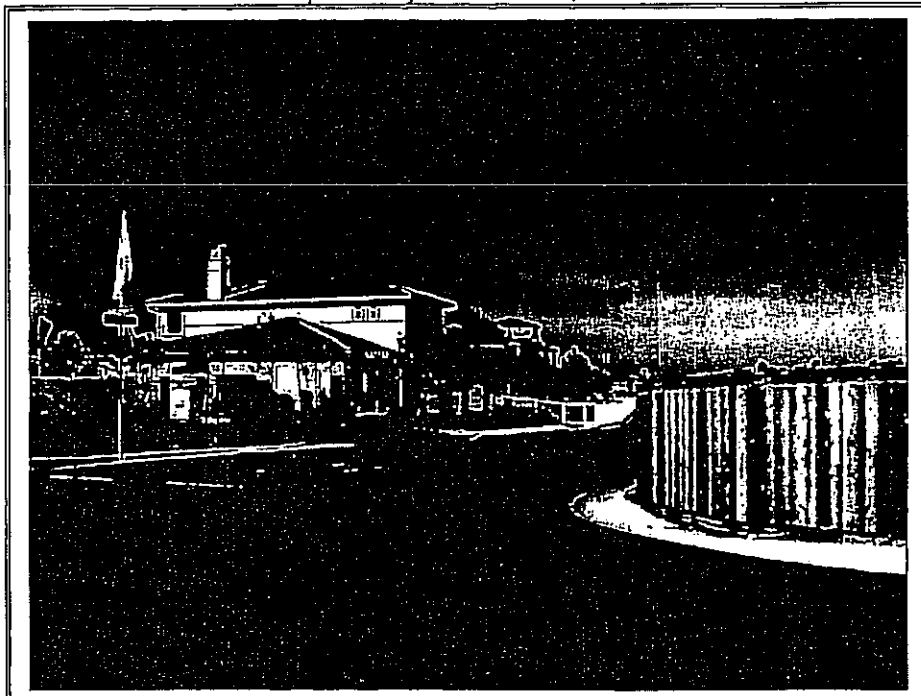
Michael Frauenthal & Associates, Inc.

Appraisal of Roripaugh Ranch, Phase II, Temecula, CA

COMPARABLE PROJECT PHOTOGRAPHS



Comparable Project 9 – Valdemosa, Temecula

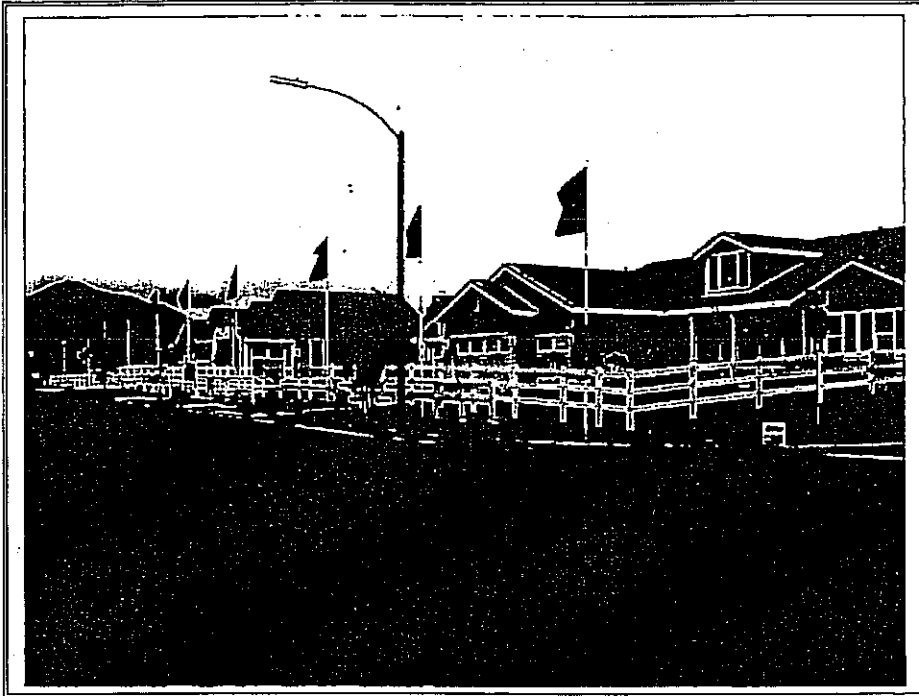


Comparable Project 10 – Redwood, Wolf Creek

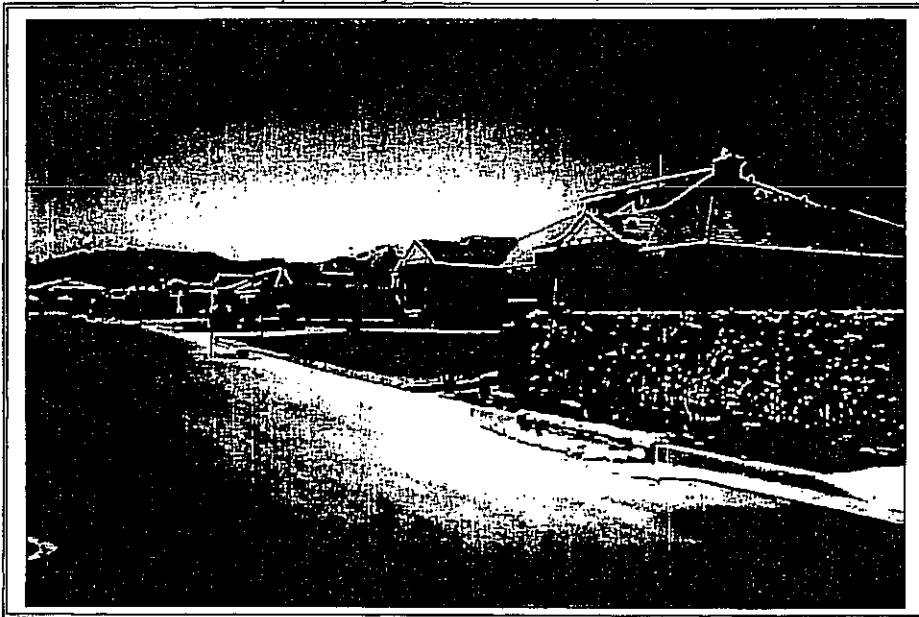
Michael Frauenthal & Associates, Inc.

Appraisal of Roripaugh Ranch, Phase II, Temecula, CA

COMPARABLE PROJECT PHOTOGRAPHS



Comparable Project 11 – The Ranches II, Wildomar

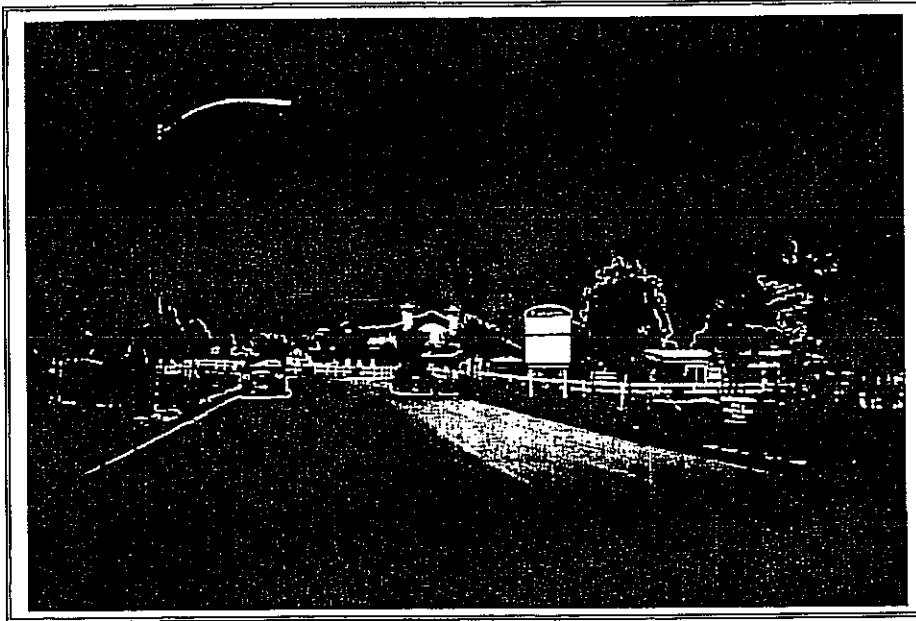


Comparable Project 12 – Gallery Oaks, Menifee

Michael Frauenthal & Associates, Inc.

Appraisal of Roripaugh Ranch, Phase II, Temecula, CA

COMPARABLE PROJECT PHOTOGRAPHS



Comparable Project 13 -- Calder Ranch, Meniffee

Michael Frauenthal & Associates, Inc.

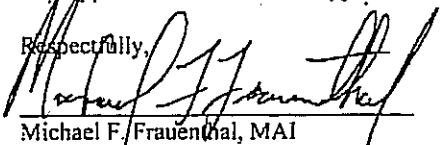
Appraisal of Roripaugh Ranch, Phase II, Temecula, CA

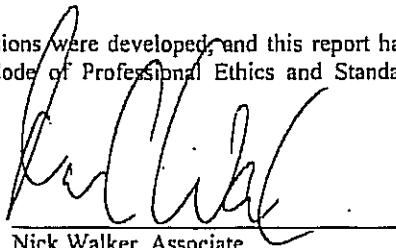
CERTIFICATION

We, certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting pre-determined results.
6. Our compensation is not contingent upon the development or reporting of a pre-determined value or direction in value that favors that cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Michael F. Frauenthal and Nick Walker have made a personal inspection of the property that is the subject of this report.
9. No one provided significant professional assistance to the persons signing this report.
10. We certify that the use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives.
11. As of the date of this report, Michael F. Frauenthal has completed the requirements of the continuing education program of the Appraisal Institute.
12. The appraisal assignment was not based on a minimum valuation, a specific valuation, or the approval of a loan.
13. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Respectfully,


Michael F. Frauenthal, MAI
California State Cert. No. AG002952


Nick Walker, Associate
California State Cert. No. AG008430

Michael Frauenthal & Associates, Inc.

Appraisal of Roripaugh Ranch, Phase II, Temecula, CA

**PROFESSIONAL QUALIFICATIONS
OF
MICHAEL F. FRAUENTHAL, MAI**

TITLE: President/Appraiser
Michael Frauenthal & Associates, Inc.

EMPLOYMENT:
1984 - 1985 American Diversified Savings Bank
Costa Mesa, California
Southwest Regional Appraisal Manager

1982 - 1984 Charles Dunn Company
Los Angeles, California
Appraiser

1976 - 1982 Harold Davidson & Associates, Inc.
Los Angeles, California
Appraiser/Director of Acquisitions

EDUCATION: University of Southern California, Los Angeles, California, 1972-1976,
B.S. - Business/Real Estate Finance

AIREA Courses successfully completed: 1A-1, 1A-2, 1B-1, 1B-2, 1B-3 -
Ethics, Residential Valuation, Rural Valuation, Case Studies, Report
Writing, Investment Analysis, Litigation Valuation, Highest and Best
Use/Market Analysis (520) and Comprehensive Examination

AIREA Seminars attended include: Commercial Demonstration Report
Writing, Real Estate Feasibility and Market Analysis, Subdivision

Society of Real Estate Appraisers
Courses Completed: 101, 102, 201, and 202

Additional Real Estate Education: Marshall Valuation Service --
Residential and Commercial Cost Handbook and Computer Seminars.
R41-C and the Appraiser, Standards of Professional Practice.
University of California at Los Angeles Real Estate Investment Analysis,
Real Estate Syndication

**ALLIED REAL ESTATE
EXPERIENCE:** Thirty-two (32) years in all phases of Real Estate Appraisal

**TYPE OF PROPERTIES
APPRAISED:** Commercial: Neighborhood and convenience shopping centers, high-rise
office buildings, garden-office building, retail store buildings, gasoline
service stations, etc.

Industrial: Warehouse manufacturing plants, mini-storage facilities, loft
buildings, etc.

Michael Frauenthal & Associates, Inc.

Appraisal of Roripaugh Ranch, Phase II, Temecula, CA

Professional Qualifications:

MICHAEL F. FRAUENTHAL, MAI

Page Two

Residential: Apartment houses, condominiums, master planned communities, residential subdivisions, single-family dwellings, motels, mobile home parks, etc.

Vacant Land: Residential, commercial, industrial and agricultural sites

Special Purposes: Convalescent hospitals, churches, regional entertainment facility, agricultural site, etc.

Expert Witness: Orange, Los Angeles, Riverside, San Diego, Santa Barbara and San Bernardino Counties

CERTIFICATION:

State of California, CERTIFIED GENERAL REAL ESTATE
State of Nevada, CERTIFIED GENERAL REAL ESTATE APPRAISER
LICENSE NUMBER: 01516

LICENSE:

Real Estate Broker, State of California (1978-1986)

**PROFESSIONAL
ORGANIZATIONS:**

Appraisal Institute
Southern California Chapter Regional Representative, 1999-2000
Orange County Branch Chapter - Chairman, 1999
Orange County Chapter, Director, 1991-92
Chairman, Admissions Committee, 1991-93
Chapter Officer - Treasurer, 1994
Regional Ethics and Counseling Panel

American Institute of Real Estate Appraisers
Designation MAI - MAI Member Number 7093
Member Admissions Committee 1987-90

Society of Real Estate Appraisers
Designation SRPA
Member, Ethics Committee, Chapter 132
Chapter Director 1986-87, 1987-88
Admissions Committee - 1989-1991
Scholarship Committee Chair - 1986

**PROFESSIONAL
MEMBERSHIPS:**

Building Industry Association
Orange County Association of Mortgage Professionals
Real Estate Research Council of Southern California

**LICENSED SPREADSHEET
SOFTWARE:**

DynaLease, Project, Lotus

Michael Frauenthal & Associates, Inc.

Appraisal of Roripaugh Ranch, Phase II, Temecula, CA

**PROFESSIONAL QUALIFICATIONS
OF
NICK WALKER**

TITLE: Independent Appraiser/Consultant

EMPLOYMENT:

1983 - 1986 Johnsen's Appraisal Services: Appraiser
Appraisal of single-family residences and small multi-family properties.

1986 - 1991 First Fidelity Thrift & Loan: Chief Appraiser
Responsible for the operation of a three office commercial and residential appraisal department.

1991 - 1992 Omega Appraisals: Senior Appraiser
Tasks include appraisal of commercial and residential properties in the Southern California area.

EDUCATION: Cal State, Long Beach, California,
B.S. - Business Administration 1992

RELATED COURSE WORK:

Principles of Real Estate (CSULB); Basic Valuation (CSULB); Valuation of Income Producing Properties (CSULB); Real Estate Finance (CSULB); Introduction of Appraising Real Property (SREA); Applied Residential Property Valuation (SREA); Principles of Income Property Appraising (SREA); Investment Principles (CSULB); Business Finance (CSULB); Seminar - Inspection of a Single Family Residences (SREA); Seminar - Demonstration Report Writing (SREA); Seminar - Anatomy of a Single Family Residence (NARA); Seminar - Appraisal of Small Commercial Properties (NARA)

CERTIFICATION: State of California, CERTIFIED GENERAL REAL ESTATE APPRAISER ID NUMBER: AG008430

APPRAISAL EXPERIENCE:

Work has includes single-family residences, multi-family residential projects, commercial and industrial, vacant land and special purpose property appraisals in Los Angeles, Orange, Riverside and San Bernardino Counties since 1983.